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THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

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Vol. XXXIV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, SEPTEMBER 21, 1940 | 10c a Copy; $5.00 a Year | No. 38

The Nation's Business

Industrial Revolution

This week The Financial Post presents an 80-page survey of the economic battlefront that runs through Canada's factories, farms, mines and other business institutions.

The commitments this country has undertaken and our many new war industries are bound to have a profound effect on the future development of the Dominion.

The last war gave great new impetus to Canadian industry. Our workmen gained new skills; our plants were modernized and expanded; we added scores of new lines to our industrial output. We awoke one day to find that the hewers of wood and drawers of water had become workers on industrial production lines.

Canada quickly adapted to peacetime uses most of the plants built for war production in 1914-1918. Here and there a few explosives or shell-filling plants were abandoned but in the rapid expansion of Canada's industries the workers were quickly absorbed.

* * *

In becoming the second line of industrial defense of the Empire, certain of our industries are now being overexpanded. But if we pursue wise policies in the post-war years, if we permit our population to grow, we may indeed come through the period of post-war adjustment as well or better than we did in the 1920's.

Our new industrial plant will be greater than 11 million people can keep busy. Of this we may be confident: that many European and English industrialists will be knocking at our doors. We shall have the opportunity after the war to select those whose established world connection will enable us to make fuller use of the plant we are building. But we shall need more than brains; more than foreign markets. We shall need population.

As the Vancouver Sun put it the other day:

"The alternative here is very plain. If we do not increase our population either our new manufacturing industries, our industrial revolution, will have to be liquidated and largely abandoned after the war; or if it is maintained by monopoly of the domestic market, our primary industries, particularly wheat, must be cut down or kept on a permanent dole, as the greatest of them is now."

* * *

In this industrial revolution that the war is bringing us there are favorable elements of diversification. We are making some things we never made before.

And we are industrializing areas that will benefit from diversification of their activities. It is good to see industries growing up in areas such as Manitoba and southern Alberta. Even war industries may help to develop the industrial "potential" of these areas and thus make the West less dependent upon agriculture as a source of livelihood for the people.

* * *

Planning the Future

A heavy responsibility rests upon the Government to see that in mobilizing Canada for war it plans for the future as well as for the present urgent need.

In public finance, the "pay-as-we-go" policy is an effort to save us some post-war headaches but, as the war loan's near failure indicates, a "pay-as-we-go" policy needs to be tempered with consideration of the human factors.

The policy of adequate write-offs of war plants and war machinery, as part of the cost of munitions and supplies, is another effort to plan ahead.

The unemployment insurance scheme is intended as a means of seeing workers through the period of after-war adjustment. But it is untried; it covers only a small fraction of Canadian workers, and it is not likely that it will do as much to see workers through as the war savings certificate campaign itself.

* * *

In looking ahead the Government should be paying more attention to the training of unskilled workers. More and more, our war industries are going to run into the problem of finding enough trained men to do the jobs that have to be done. It is the war labor problem that creates the immediate need for making fullest possible use of our technical schools and for the establishment of training schemes within factories. Such training would also help in the period of post-war adjustment. Undoubtedly the skilled man has, under any circumstances, a better chance of getting work than the pick and shovel man.

* * *

Canada has set itself an enormous programme of war production

(Continued on page 82, col. 4)

Ottawa Probes Lag In War Loan Sale

Campaign Drags From Failure to Put Over Necessity and Purpose of Participation by Individual Buyers—Former Sources Drained

From Our Own Correspondent

OTTAWA. — Despite some improvement in recent days, the volume of war loan buying from private investors has been quite disappointing.

About 40% of the loan taken up so far is estimated to be by private buyers compared with 66% for the full January loan.

Books are being kept open to include every private buyer that can be induced to take a bond. Individual response is improving. One day early this week individual purchases accounted for 80% of all sales.

The feeling here in informed circles is that the second war loan cannot be considered a success. Since it is well known that more loans will have to be offered the Canadian public if the war follows its expected course, the present situation is causing the deepest concern.

For implications of the facts are such as to raise basic questions of wartime finance. Are taxes too high? Is the excess profits tax proving a boomerang? Is it hopeless to attempt to carry on a war programme of the magnitude now undertaken and cling to pay-as-you-go-as-far-as-you-can policies? Is the only alternative forced loans or purely inflationary borrowings? Is it essential to raise the interest rate of the next loan sharply to attract the individual investor?

Those are questions which the unhappy results of the second war loan drive have raised inevitably in government quarters.

Haven't Sold People

It is generally admitted that the war loan promotion and publicity was inadequate and some of it inept. But the real lack of salesmanship on the part of the Government is much deeper than that. It has done virtually nothing to explain wartime financial policy; to promote understanding of the basic and simplest factors of that policy; to make it plain why individual self-denial is vital as is being done so widely under government auspices in the United Kingdom.

At the same time, it is realized that, in some measure, the result is an almost inevitable concomitant of the prevailing financial policy lacking that widespread urge of the public at large for self-denial.

Though opinion differs widely, on this point, it is not thought in influential circles here that a higher interest rate would have produced a different result.

Big Taxes Since Then

There are ample funds in the hands of the Canadian people to sweep up the loan promptly. Of course, the $200 millions loan of January piped off a substantial amount of private savings, especially from those sections of the community accustomed to saving and to investment.

Since that time have come the heavy income taxes whose payment will eat up a great deal of the surplus income of the classes most ready to buy war bonds. Until this group gets adjusted to the new scale of imposts and gets budgeted for them, the strong tendency will be to make no commitments.

Different to the experience of war loan drives in the previous war, the Canadian farmer today has not the means to be an important buyer. In the last war the farm population had a background of several boom years and, during the war, lush prices for its products.

Today the group with surplus funds are to an important degree workers in war industry and war-stimulated industry such as construction. For this group the war has not brought heavy income taxes and it has brought generally increased incomes.

Prefer to Spend

But this group generally is spending freely, enjoying the new fruits of higher incomes. And it is not accustomed to investment. Furthermore, virtually nothing has been

(Continued on page 82, col. 4)

FIRST FULL REPORT ON WAR EFFORT

Roar of the presses rolling out the 80-page supplement to this issue of The Financial Post, graphically depicting Canada's economic-industrial war effort, signalled fruition of three months intensive work by The Post staff. The pressman's scrutiny of the first copy off the press, capped weeks of exhaustive research into industry's wartime mobilization.

A major chapter in Canada's national history is now in the making. The Post has crystallized the achievement to date in this first authoritative and comprehensive review and charted the war supply programme for some time ahead.

"Canada's Industrial Front" supplement tells dramatically in text and picture how Canada's industry, finance and material resources are aiding in the battle for freedom. It makes this issue of The Post the largest ever published — 96 pages with the regular news and feature sections.

To tell industry's war story strikingly and comprehensively, and to conform to Post standards of accuracy and presentation, Post writers have spent days with high government officials, have been in touch with scores of industrial executives from coast to coast, and have spent weeks assembling, checking and analyzing information from myriad sources.

It was no easy task to decide what should be published and what might be useful to the enemy.

One major job of research that took two men 10 working days to complete, was finally sidetracked in deference to official feeling that it set forth certain data with more detail and clarity than advisable in wartime.

Need 280,000 H. P. For New Plants

Huge Power Demand Develops for Projected War Industries in Montreal Area—Beauharnois and Maclaren-Quebec Approached

From Our Own Correspondent

MONTREAL.—New war industries planned or contemplated in the Montreal area will absorb something like 280,000 h.p. of electric energy, The Financial Post is informed.

This is more than the entire developed waterpower in the Maritime Provinces.

One single enquiry alone which has been made to the Beauharnois Light Heat and Power Co. calls for use of 100,000 h.p. of energy.

This would mean the establishment of one of the largest individual power-using industries in the country in the Montreal area.

Maclaren-Quebec Power Co. is also said to be considered as a source for additional power requirements of some 50,000 h.p.

Under the new regulations laid down by Quebec's Public Service Board, no power contract for over 500 h.p. can be made by a Quebec operator without first having the approval of the Board. The latter admits that negotiations for these two blocks of power are in progress.

Ready on Short Notice

Provided arrangements are made with these two companies for the supply of power, it may be necessary for Maclaren-Quebec to construct a transmission line to the Montreal area.

No particulars are available as to the new interests behind the new venture, the product or the exact location of the plant, other than that it will be in the Montreal territory.

Changes Power Picture

A power deal of this magnitude is of the greatest importance to Ontario Hydro, which of late has been somewhat concerned with the adequacy of its power supply reserve if the present rate of growth in load is continued. A contract for 50,000 h.p. would mean the virtual elimination of Maclaren-Quebec from the market as a source of supply, while the sale of 230,000 h.p. by Beauharnois would absorb practically all of the additional power to be made available through the diversion of a further 30,000 c.f.s. from the St. Lawrence River.

The removal of 280,000 h.p. from the market leaves the apparent surplus supply in the Quebec-Ontario border area at a very low figure. At the rate war industries are using up the available power it would appear that very little will be available for export outside the province.

There are several other undeveloped power sites along the Ottawa or tributary rivers that can be developed quickly if the need demands. These include those held by Ontario Hydro on the Madawaska (which are still under active consideration), the Carillon development on the Ottawa and a further 100,000 h.p. on the Gatineau River.

Easing Wheat Storage Problem Seen Likely

From Our Own Correspondent

OTTAWA.—Disclosure by Hon. J. G. Gardiner, Minister of Agriculture, that the British Government holds 170 million bushels of wheat on its account in Canada at the present time, has shed new light on the general wheat situation. Efforts will probably be made by Canadian authorities to prevail on the British Government to take delivery of as much of this wheat as possible, in order to release storage space in Canada.

With recent estimates of the 1940 crop running well over the 500 million bushel mark, a prospective wheat carryover of more than 800 million bushels is in sight on the completion of the present harvest. If the British account moves, however, the actual volume to be left on the farms will only be in the neighborhood of 50 millions. The basic problem of advancing money to the farmers depends on how much wheat the farmer must retain on his farm for the winter months.

Outline of Problem

A calculation of the problem gives the following result as it affects the western farmers (in millions of bushels):

Estimated 1940 crop...	534
Add 1939 carryover....	270
Total..............	804
Commercial storage...	430
British account........	170
Domestic requirements	150
Prospective deliveries.	750

In arriving at an estimate, on the basis of these figures, that 54 million bushels must remain indefinitely on store on the farms, the key factor is whether or not the British account

(Continued on page 82, col. 6)

Canada May Construct More Ships For Britain

From Our Own Correspondent

OTTAWA. — It is expected that orders will be received shortly for construction in Canada of 10 experimental wooden minesweepers, of the type which has proved so efficient in capturing magnetic mines off the British coast.

The first order would be largely experimental. Presumably additional business would follow.

Four or five yards, mostly in Nova Scotia, are expected to share the initial order. Eventually seven or eight yards in Quebec and Nova Scotia would benefit.

Construction of the vessels (which would probably be built in pairs) would give employment to something over 750 men—exclusive of fitters, work on engines, equipment, etc.

Also under consideration is a programme to construct in Canada steel cargo vessels for the British Government. These vessels would range in size from 3,500 to 9,000 tons deadweight carrying capacity. The larger vessels might cost in the neighborhood of $1.5 million each.

So far only preliminary investigations have been made to determine Canada's capacity to produce such vessels. Final decision would rest with Britain.

Now that U. S. has turned 50 destroyers over to U. K., the possibility that Canada might build larger battle vessels up to a small destroyer type is not so imminent.

The fast corvette patrol vessel, of which Canada has now launched 20 or more (several are ready to go into action), is a highly useful vessel in modern naval action, especially if the navy has plenty of destroyers. Corvettes cost only a fraction, possibly as little as one sixth, of destroyers. They can be produced with much greater speed and made in shipyards that could not attempt to tackle larger vessels.

In any event it seems certain that a substantially increased naval programme will be under way in Canada early next year in part to supplement the present programme and provide fulltime work for yards which have done such an excellent job in the past year to strengthen the Empire sea defenses.

See Early Action On N.Y. Air Line

From Our Own Correspondent

WASHINGTON. — Early action is expected, following conferences in Ottawa last week between Canadian and U. S. civil aviation officials, on applications from Trans-Canada Air Lines for operating rights between Toronto and Buffalo and Toronto and New York.

These applications, along with those of U. S. air lines for similar rights, have been pending for some time. They were submitted last winter to the Civil Aeronautics Authority, since absorbed into the Dept. of Commerce. The recent discussions at Ottawa are believed to have paved the way for early action, and an announcement may be made shortly.

Canadian permits have been available from the Dominion Transport Board at Ottawa for the T. C. A. runs to Buffalo and New York for the past year, but permission from Washington authorities is also necessary.

Trusts & Guarantee Co. Proposes Capital Cut

Shareholders Hear Scheme Advanced to Protect Against Wartime Risks — Would Bring Certain Assets Down to Actual Values

Possible wartime emergencies have influenced directors of Trusts & Guarantee Co., Toronto, in recommending to shareholders a write-down of capital to provide for adjustments bringing certain assets to actual present-day values.

Shareholders are being called for a meeting on Sept. 30 in Toronto to consider proposals for an exchange of shares on a one-for-two basis, allowing for a 50% capital write-down.

The changes involved only affect the shareholders' capital, it is pointed out. Actually assets behind estates, trust and agency accounts, as well as guaranteed investment funds, will be strengthened by substitution of productive assets for some that are non-productive at present. These assets are entirely segregated from those belonging to shareholders while shareholders' assets stand as additional security behind these funds.

Careful Survey

Officers of the company have been engaged for some time past in an item by item survey of all assets held. This has extended to actual inspection of real estate and careful appraisal of all factors likely to affect current and future value of each item. As a result of this, a number of adjustments to the company's balance sheet have been recommended which, in the opinion of the company officers, will leave the final balance sheet values such that actual realization would be at least as high as the figures shown on the books.

It is recommended that the following items appearing in the company's balance sheet as at Dec. 31, 1939, should be written down to the extent shown below:

	Book value 1939 $	Proposed write-offs $
Office premises, real estate, mortgages & agreements for sale	1,320,980	675,787
Stocks, bonds & debentures	849,085	565,000
Miscel. items	Not avail.	40,000
Total write-off	......	1,280,787

All of these items apply to capital account section of the balance sheet.

Actual Equity Unchanged

To provide the corresponding write-downs in the liabilities side of the balance sheet, it is proposed that capital be reduced by one-half, one share of new stock being issued in exchange for each two shares outstanding. Par value of the new capital will remain at $100 a share.

The company points out that this

(Continued on page 84, col. 2)

Combine Case Appeal Coming

But Charge Still Pending Against Paperboard Manufacturers

An appeal has been entered against the judgment of Mr. Justice Hope in the Ontario Supreme Court by H. J. Badden and 19 companies in the shipping container industry. All of these were convicted under section 498 of the Criminal Code following an investigation under the Combines Investigation Act recently.

It may be some time before the appeal can be heard because of the volume of evidence that has to be prepared and has already been presented in the original hearing. It is expected, however, that the case will come up before the end of this year.

In the meantime, the companies concerned against which fines of from $2,500 to $10,000 were levied have obtained a ruling staying payment of the fines while the appeal is pending.

Other Case Pending

The combines charge is still pending against the manufacturers of paperboard, the material used by the shipping container makers.

In the original investigation by F. A. McGregor, Commissioner under the Combines Investigation Act, two combines were allegedly existing in the industry. The one disposed of recently by Mr. Justice Hope, and against whose findings the appeal has been entered, was against the manufacturers of shipping containers and H. J. Badden.

True bills were also returned against Shipping Case Materials Manufacturers Assoc. and its members. It is understood that final de-

(Continued on page 85, col. 4)

The War And Business . . A Weekly Round-up

National Training

From Ottawa, our correspondent reports (in a news story published elsewhere) that the national training scheme is to be changed in one respect. Exemptions are to be provided for certain types of munitions workers. But Ottawa is not likely to announce the concession for some time.

However, this modification of Canada's scheme of military training for all men between the ages of 18 and 45 is a minor one compared with what is likely to come. The scheme has never been regarded by military authorities as much more than window dressing. Instead of having 300,000 men a year given 30 days training they would prefer to have a smaller number of men given training that would make soldiers out of them.

The passage by the United States (which is at peace) of a compulsory training bill that provides 12 months training for young men, throws the compulsory training scheme of Canada (which is at war) into a very dark shadow.

Whispers out of Ottawa are that the whole scheme is very much under fire in defense circles. The forecast is that something more realistic and effective will be adopted and sold to the people by the Government.

* * *

Away from Red Tape

A lot of old rules are going by the board these days.

One of these is the traditional rigidity of Admiralty specifications.

The British Admiralty has always had a reputation for knowing exactly what it wanted and insisting that those with whom it did business kept not only the spirit but the very last meticulous letter of the contract.

If, as and when orders come to Nova Scotia for wooden minesweepers (they are expected very shortly) the old rule will be broken.

Instead of the Admiralty insisting on its own rigid specifications, Maritime shipbuilders will be invited to use their own good judgment and make suggestions as to just how the ships can be built most efficiently and quickly by using local labor, local materials, etc.

More and more, Canada is taking the initiative in planning and blueprinting her own war effort. There is increasingly less reliance on the old army rule book.

* * *

Supplies from U. S.

No statement has yet been published of the total amount of supplies sold to the British (and earlier to the French) out of United States military and naval stocks.

Recently the U. S. Chief of Staff refused to give the information to a Congressman, stating it was not in the public interest to do so.

One Congressman filed in the Congressional Record a statement that these supplies had been transferred by the army:

2,200 airplanes (including those owned by the Navy and the Marine Corps).
500,000 Lee-Enfield rifles.
150,000,000 rounds of ammunition for these rifles.
70,000 machine guns.
600 75-mm. field artillery guns.

The list is probably quite incomplete. In any event it does not include what has been sold by the Navy, such as the 50 destroyers.

* * *

War Loan Lessons

Last week this column hazarded some "preliminary observations" on the war loan. It was suggested that the Government could not get the same money twice: both in taxes and war loans. With corporations, "wealthy" people and the middle class paying heavily in increased taxes, it would be necessary to find additional money from the "new rich," the workers who were in many cases formerly on relief, who were now enjoying substantial war industry work incomes but who were enjoying the privilege of doing some spending for the first time in many years.

That analysis of the situation has gained much currency during the past week. It is too early to say how the laggard sale of the Second War Loan may influence governmental financial policies but recognition will have to be given to the implications of some all too obvious facts.

One of the ends of sound war finance policy is to divert to war purposes as much as possible of the increase in national income that results from the war. But first of all it is necessary to know where the new income is going; who is getting it and how much of it they can be induced, by self-denial, to spare. It would seem, from the results of the war loan, that treasury officials have been able to arrive at no very clear answers yet to those questions.

* * *

Must Arouse Nation

The fact that the war loan was not quickly oversubscribed has another implication: a political one. The Government has gained no great prestige out of the loan.

Suggestions that various important people refrained from buying bonds because they desired to express their dislike for the Government's war effort must be received with caution. Perhaps more important is the indication, given by the loan, that the patriotic fervor and enthusiasm of the country have not yet been fully mobilized under the leadership of the Government. There are even some people in Canada to whom the war is only slightly less impersonal and distant than was, say, the Spanish war or the Russo-Finnish war.

Until every man and woman in Canada is made to "feel" the war, and is conscious of making a personal sacrifice to help win it, some observers feel there may continue to be a lack of enthusiastic response to war loans, war savings certificate campaigns, national registration, etc.

When the workers of Canada, particularly those earning good incomes in munitions plants, do not fully support the war loan it is an indication, not that the workers are indifferent or disloyal, but that no effective steps to organize and inspire them have been undertaken.

Signs point to a very aggressive War Savings Certificates campaign in the immediate future; not merely to raise money but also to bring the war and the need for self denial home to the workers of Canada.

Use of Fuel Oil Barred In New Installations

Canada's oil controller, G. R. Cottrelle, has issued an order prohibiting sale of fuel oil to newly-installed oil burning plants. Object of this order is to conserve United States exchange for more essential purposes, it is understood.

The order does not apply to plants already in operation. Like the previous order stopping installation of additional gasoline pumps, this is a standstill order.

Exceptions to the prohibition against the installation of additional plants using fuel oil are:

1. Household plants and those using less than 4,000 Imperial gallons annually.
2. Government plants, both Dominion and provincial.
3. Manufacturing plants in which the oil-burning equipment is used directly in the processing of any product manufactured for, or under agreement with, the Dominion Government.

Exceptions Allowed

Special exceptions may be made by the oil controller where the situation makes this necessary. The new order is effective from Sept. 16 for a two-year period.

Magnesium Plant To Be Built Here

By STAFF WRITER

OTTAWA.—Announcement of a $15 millions plant for the production of metallic magnesium is expected here shortly.

No tonnage figures are available, but it is known that the plan will involve a large hydro-electric power commitment — probably something in the neighborhood of from 50,000 to 100,000 horsepower.

Metallic magnesium will be produced for war purposes at the request of the British Government.

Monarch Knit Sales Climb

Sales of the Monarch Knitting Co., Dunnville, Ont., for the first eight months of 1940 have been quite substantially ahead of the same period of last year, The Financial Post learns officially.

The company is still uncertain about how the new "excess" profits tax will affect it. In view of this, the net profit position as compared to 1939 is not quite clear. Net of $93,066 last year was substantially higher than any year since 1934.

The major factor in the increase, of course, has been military business. The company is making large quantities of knit goods—sweaters, caps and puttees, principally — for the armed services. The back-log of orders remains large. The outlook is regarded as promising as the permanent forces shortly will be requiring the winter goods which the company has been making for the Government. The plan for compulsory training of civilians, starting in October, will increase the demand

(Continued on page 82, col. 7)

Work Starting On War Plant

Research Enterprises Opens New Era in Canadian Industry

Work commenced this week on the construction of a new $350,000 building for Research Enterprises, Ltd., a government-sponsored company which will undertake production of optical glass and special scientific devices for war purposes.

The site, located in a Toronto suburb, was purchased late last week. An important section of the plant is expected to be in operation by the end of January.

Some 300 to 400 workers will be employed, according to present plans. Nearly all will be highly skilled craftsmen or scientists. A group of them are now in training at the National Research Council, Ottawa.

Because there is little or no background of skill and experience in this country in the manufacture of optical glass and in the fabrication of special precision instruments, this project is particularly significant to the future industrial development of this country, but at the same time suffers some handicaps, especially in securing adequate supply of properly trained men.

Aided by Private Firms

Private industry has been most co-operative in loaning key workers with special skills and experience, The Financial Post is informed. It is reported probable that a group of specially skilled workers will be brought here from the United Kingdom. Because of the urgency of United States rearmament and the generally high activity of U.S. industry, it is said to be

(Continued on page 84, col. 4

MEN'S SHOP EATON'S-COLLEGE STREET

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EATON'S - COLLEGE STREET

Col. Steamships Traffic Heavy

Better Than 1939 Although Now Slowing Up Because of Wheat

Business of Colonial Steamships Ltd. showed marked improvement in the earlier months of the current shipping season, as compared with 1939, The Financial Post learns. There has been a tendency of late, however, for shipping to slow up.

The company operates nine steamers on the Great Lakes, St. Lawrence River and Gulf. It reported profit of $307,389 in 1939—a substantial improvement on previous years since 1933 when the company was reorganized. Bond interest in 1939 was earned more than four times.

The recent slowing up has resulted from the smaller movement of wheat overseas. The company engages primarily in moving this commodity from the head of the Lakes to ocean ports.

As a result of the uncertainty about what will happen to the big supplies of wheat, the company is understood to regard the outlook as somewhat confused

The company expects to have profits sharply cut by increased corporation and "excess" profits taxes. The tax works most heavily on companies with big 1939 earnings as compared with the average for the four years 1936-39, and Colonial Steamships is in this group. The company may be able to claim special consideration under the "depressed" industry provisions, in which case the tax burden likely would not be so heavy.

More Refrigerators Sold in Canada

From Our Own Correspondent

MONTREAL. — National Electrical Manufacturers Association reports that unit sales of household refrigerators for July in Canada amounted to 5,065, compared with 4,297 in the same month last year.

In the first seven months of the year to July 31, unit sales totalled 46,317, against 38,011 in the corresponding period last year.

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Canada Dry Position Good

Likely to Report $2 a Share Net This Year — Introducing New Product

Net income equivalent to approximately $2 a share may be reported by Canada Dry Ginger Ale for the year which ends Sept. 30, 1940, according to reports from New York. This would compare with $1.88 a share for the previous year.

Sharp improvement in volume and profits during July and August, which is continuing into September, is said to be helping the company. Advertising and selling expenses on "Spur," the company's new drink, have been heavy. Distribution of this drink is being extended although it has not yet reached the important New York or Chicago areas.

In the three months ended June of this year, Canada Dry reported net income equivalent to 56 cents a share compared with 58 cents a share in the 1939 quarter. It is said that the decline is attributed to unseasonable weather.

As a distributor of imported liquors and wines, Canada Dry is faced with some interruption of supplies. It is understood, however, inventory equivalent to more than a year's normal supply of Italian vermouth and almost as much of the French product has been built up. Shipments of Johnny Walker blended Scotch whiskies are continuing to arrive in good volume while Canada Dry has accumulated a large inventory.

These heavier inventories of vermouth and Scotch whiskies will probably be reflected in the 1940 report. Thus liquid position may be smaller and possibility of a dividend on the common before the close of the year is not certain.

Acceptance Co. Business Good

Earnings Before Taxes Running at Least as Good as Last Year

Present indications are that earnings of Industrial Acceptance Corp. for 1940 will be at least as large as in 1939, before allowing for the higher taxes imposed this year, The Financial Post is informed.

The matter of taxation leaves some doubt as to whether or not net profits available for dividends will be as high as last year when the company earned $3.19 a share on its class A stock. Increased expenses kept earnings for the first half of 1940 down in spite of higher volume of receivables handled.

Company officials state that indications are volume of sales in all lines of business, including articles involving the use of installment credit is likely to continue at a substantial level.

Industrial Business Grows

A section of the business which is becoming of growing importance is said to be that represented by Industrial Factors Corp. This subsidiary, organized in 1939, finances capital expenditures, chiefly on machinery and equipment, on the part of manufacturers. This company has recently been showing a substantial net profit. The appliance and industrial fields offer attractive business potentially, the company states, particularly in view of expansion of industry requiring either replacement or additional machinery.

In the small loan business, Industrial Acceptance has its newly-acquired subsidiary, Campbell Auto Finance Co., giving further diversification and what is regarded as some measure of protection in the event of a depressed period in other lines.

Industrial Acceptance is introducing the use of talking motion pictures in its selling. Now ready for use in selling automobile salesmen on the use of the company's finance facilities, it is planned to extend this feature as opportunity offers into other fields.

Financing retail sales of automobiles remains the major source of business for Industrial Acceptance, accounting for well over half of its business when wholesale automobile financing is included.

Company officials tell The Financial Post that they are not fearful of the effect of higher taxation on the sale of automobiles. They claim that the chief difficulty to date appears to be inability of car makers to give prompt deliveries of new machines.

With regard to other lines such as refrigerators, radios and other household articles, continuation of present increasing general purchasing power is considered favorable for sales. In the background, however, is the possibility that some restrictions may be placed on purchases of such items in the interest of conserving purchasing power for purposes more directly essential to the war effort.

Shift Management Of Arsenals

From Our Own Correspondent

OTTAWA.—As at Oct. 1, all governmental arsenals will be taken over by the Department of Munitions and Supply, The Financial Post understands.

Though no official announcement has been made, it is understood that they will come under the Munitions Division of the Department. This division is in charge of W. F. Drysdale and E. P. Taylor, joint directors-general.

Canada has two government arsenals, one in Ontario and the other in Quebec. Statements made recently by Hon. C. D. Howe indicate that the productive capacity of the Quebec arsenal has been increased sixfold since war's outbreak.

Till now these arsenals have been under the direction of the Department of National Defense.

The Nation's Busines,

Continued from Page 81

as the 80-page supplement of this issue fully attests. But in the moments when we are not patting ourselves on our national back for what we are doing, let us remember that, once we have won the war, we shall still have the problem of winning the peace; of consolidating our industrial gains.

• • •

Soviet Russia, The "Democracy"

Both the New York Times and the London Times have closed their Moscow bureaus. They have taken the extraordinary step of isolating themselves from one of the great centres of world political news because the Soviet censorship has made it impossible for them to send out any news from Russia.

G. E. R. Gedye, the N. Y. Times correspondent, has been writing the story of his adventures with the Soviet press censorship. The story seems fantastic but it is unquestionably true. Moscow has tiled up its frontiers so that no news can get out except that sent by the official government news agency.

Such is Soviet Russia, which Canadian pinks and leftist liberals of the Toronto Star-Canadian Forum school have long hailed as the home of the true democracy.

C. I. O. Swallows Canadian Unions

In their preoccupation with getting war jobs done, the Canadian people may be paying little attention to some significant moves on the labor union front.

In the past Canada has had four major labor union federations.

They were:

The Trades and Labor Congress, affiliated with the A. F. of L.

The All-Canadian Congress of Labor.

The Canadian Federation of Labor.

The Confederation of Catholic Workers.

In addition there have been various unions affiliated with John L. Lewis's racketeering C.I.O.

• • •

Lewis has been looking around for a cloak in Canada. He has found it in the All-Canadian Congress of Labor. This body has, up to now, thrived chiefly on its claim to be a purely Canadian institution, not under the domination of American labor leaders. Now it has been swallowed up by the C.I.O. The name, Canadian Congress of Labor, is being adopted. But the boss will be John L. Lewis.

Thus does the long and potent arm of the politically ambitious and leftist C.I.O. dictator strengthen its grasp on Canadian labor.

Lack of Sales Push

Continued from Page 81

done to interest it in the war loan.

Two incidents from the campaign provide vivid illustration.

1. A Toronto manufacturer thought the loan ought to be supported. He circularized his employees, offering to buy the bonds for them and to take $1 a week off their pay for 50 weeks. He got 201 employees signed up. When they learned there were no $50 bonds—only $100's which would mean $2 a week—80 of them backed out.

2. A bond salesman made the rounds of employees in some of the industries where war work is being done and men are on overtime pay. He did not sell a bond. The workers said they were earning a little money for the first time in years and they were going to spend some of it before thinking about war bonds, etc.

Some of them asked him what he was doing to win the war? Why wasn't he in khaki or working in a plant making shells? He asked them, "Do you know what I get paid if I sell a $100 bond? My firm get 75 cents and I get part of that." They laughed at him and would not believe him.

The present situation lends much strength to the view frequently expressed in The Financial Post and strongly urged in the Rowell-Sirois Commission report that governments have by this time pretty well exhausted the taxability of the rich and the middle class and will have to make greater impositions on the lower income brackets.

Early publicity was all super-optimistic; so optimistic in its implications that the average citizen not absolutely determined to buy a bond or ready to put in his application the first few hours might well have thought he would be too late to get a bond and that his help was not needed.

It is understood that a group of men experienced in publicity and promotion is meeting with the war loan committee shortly.

Some people here have been urging that the banks, insurance companies and other institutions be called in to clean up the loan at once. This proposal disappeared with the production of evidence to show that the institutions generally have no sizable funds now available for investment.

Feature of the more recent subscriptions was the Metropolitan Life Insurance subscription for $6 millions. Imperial Oil stepped up its purchase from $3 millions to $5 millions, compared with $3 millions in January. International Nickel increased its order by $1 million to $4 millions, compared with $3 millions in January.

A further list of subscriptions of $100,000 or over is given, supplementing that which appeared in last week's issue of The Financial Post. The list follows:

Metropolitan Life Ins.	6,000,000
Imperial Oil Ltd. & Subsids.	5,000,000
Reported previously at $3,000,000; additional $2,000,000 since subscribed.	
International Nickel Co.	4,000,000
Reported previously at $3,000,000; additional $1,000,000 since subscribed.	
Imperial Life Assce.	2,000,000
Reported previously at $1,500,000; additional $500,000 since subscribed.	
Abitibi Power & Paper Co.	2,000,000
Confederation Life Assn.	1,500,000
Samuel McLaughlin	1,000,000
Ventures & assoc. co.'s	1,000,000
American Can Co.	1,000,000
Previously reported as $750,000; additional $250,000 since subscribed.	
Dominion Life Assce.	750,000
Candn. Gen. Electric	750,000
Previously reported as $500,000; additional $250,000 since subscribed.	
Algoma Steel Corp.	670,000
Dome Mines	615,000
Previously reported as $200,000; since increased by $415,000.	
Can. Perm. Mtge. & Trust Co.'s	550,000
Steel Co. of Canada	500,000
John Labatt Ltd.	500,000
Previously reported as $300,000; additional $200,000 since subscribed.	
Swift Canadian Co.	500,000
Bronfman Interests & B. Aaron	500,000
Ont. Workmen's Compen. Bd.	500,000
Previously reported as $300,000; additional $200,000 since subscribed.	
Teck-Hughes Gold Mines	500,000
Toronto Star Ltd.	500,000
Previously reported as $250,000; additional $250,000 since subscribed.	
Distillers Corp.	500,000
Candn. Celanese	500,000
Dominion Textile	500,000
Aluminum Ltd.	500,000
Candn Industries Ltd.	500,000
British American Oil Co.	500,000
McColl Frontenac Oil	400,000
Wright-Hargreaves Mines	400,000
Royal Trust Co.	350,000
Ogilvie Flour Mills	350,000
Dominion Tar & Chemical	300,000
Shell Oil Co. of Canada	300,000
M. J. O'Brien Ltd.	300,000
Loblaw Groceterias	300,000
Canada Wire & Cable	300,000
Spruce Falls Power	300,000
United Corporations	300,000
Lever Bros. & pension fund	275,000
J. W. McConnell	250,000
Prov. of Alta. Treas. Dept.	250,000
Powell River Co.	225,000
Little Long Lac Gold Mines	200,000
Candn. Order of Foresters	200,000
Toburn Gold Mines	200,000
Lamaque Mining Co.	200,000
Dominion Stores Ltd.	200,000
Previously reported as $100,000; additional $100,000 since subscribed.	
Building Products Ltd.	200,000
Standard Brands	200,000
Steel Co. of Canada (employees)	200,000
Dominion Oilcloth	200,000
Prudential Assur.	200,000
The Borden Co.	175,000
The Southam Co.	150,000
Candn Oil Companies	150,000
William Neilson Ltd.	150,000
Pacific Mills Ltd.	150,000
T. Eaton Co. employees	150,000
Continental Can	150,000
London-Canada Insce. Co.	150,000
Grain Ins. & Guar. Co.	150,000
United Fuel Investments	150,000
City of Vancouver Sinking Fund	150,000
Laura Secord Candy Shops	150,000
City of Halifax Sinking Fund	150,000
Continental Life Insce.	150,000
Hamilton Cotton Co.	150,000
Previously reported as $100,000; additional $50,000 since subscribed.	
City of London Sinking Fund	150,000
Previously reported as $100,000; additional $50,000 since subscribed.	
George H. Hees & Son	140,000
Independent Order of Foresters	120,000
Royal Insur. Group	115,000
Gunnar Gold Mines	100,000
W. Robinson & Son	100,000
Lang Tanning Co.	100,000
Economical Mutual Fire Insce.	100,000
Canada Bud Breweries	100,000
Zurich Gen Accident	100,000
Dominion Woollens & Worsteds	100,000
Continental Life Insce.	100,000
McKenzie Red Lake Gold	100,000
Peterborough Hydraulic Power (Subsid. of Quaker Oats)	100,000
Burlington Steel	100,000
Inter. Metal Industries	100,000
London & Lancashire Insce.	100,000
Samuel, Son, & Co.	100,000
Nipissing Mining Co.	100,000
Proctor & Gamble	100,000
Cluett, Peabody Co.	100,000
Dom of Can. Gen. Insce.	100,000
General Foods Ltd.	100,000
Madsen Red Lake Gold	100,000
J. S. Norris	100,000
City of Edmonton	100,000
Gunnar Gold Mines	100,000

Can. Dredge Still Idle

Small Contract Only Salvaged From Work Stopped by Order

Prospects for resumption of work which Canadian Dredge & Dock Co. had in hand, and which was halted some time ago by the Dominion, appear very doubtful. To date all that has been salvaged for the company is one small job at the head of the lakes.

This will take perhaps two months to complete. The amount of money involved is approximately $100,000. The work is in the nature of a covering for a job under way at the time the stop order came through. Earnings from this job will be small, although eventual compensation for stoppage of contracts can be expected.

Canadian Dredge had about $1 million of business on its books at the time of the stop order and this is apparently about all that will be salvaged this year as the season is drawing to a close.

May Build Ships

Although no contracts have yet been let, there is a possibility that the company's shipbuilding dock at Kingston, Ont., will be employed on Canada's programme of constructing small naval vessels. This dock is normally used to build and repair the company's own fleet but it has been idle this summer.

There is apparently a prospect that more contracts will be let and Canadian Dredge hopes to participate.

Renewed talk of proceeding with construction work on the St. Lawrence deep waterway as a power project necessary to defense of Canada and the United States has revived some degree of interest in Canadian Dredge. When The Financial Post first disclosed that negotiations were under way for this scheme, it will be remembered that Canadian Dredge shares responded promptly. In the event that something is actually done, this company would be in a position to handle substantial portions of the work.

Maple Leaf Gardens Pays 70c Dividend

Maple Leaf Gardens, Ltd., Toronto, has declared a dividend of 7%, or 70c. a share, on its non-cumulative preference stock. Payment is to be made Oct. 15, 1940, to shareholders of record, Oct. 1. Last previous payment was for a similar amount in Oct., 1939.

Investor's Index

Sept. 21, 1940

Abitibi	90	Honey Dew	85
Beauharnois	81	Imp. Tobacco.	90
Brown Co.	89	Ind. Acceptance	82
Canada Dry	82	It Co.	87
Can. C. Airways	88	Maclaren-Que.	81
Can. Celanese	90	Maple L. Gdns.	82
Can. Dredge	82	Mex. Light	85
C. P. R.	90	Monarch Knit.	81
Col. Steamships	82	Northwest. Util.	93
Dosco	87	Pac. Powr.	85
Ford Hotel	93	South. Can. Pr.	90
Gatineau Pwr.	90	Trusts & Guar.	81
Hayes Steel	93		

MINES AND OILS

A. P. Consol.	94	Kerr-Addison	95
Bayonne	94	Lapa Cadillac	94
Bernhardt	94	McDoug. Segur.	94
Bonetal	94	Moneta Porc.	94
British Dom.	94	Mosher	94
Calg'y & Edm.	94	Okalta	94
Cons. Smelters	94	Pacific Eastern	94
Douglas Lake	94	Pacific Pete.	94
Duquesne	94	Pan-Candn.	95
Empire Mercury	94	Preston	94
Falc'bridge	95	Ram River	94
Gillies Lake	94	St. Anthony	94
Guysborough	94	Siscoe	94
Henn'g Maloney	94	Stadacona	94
Hollinger	95	Surf Inlet	95
Howey	94	Thomp.-Lund.	94
Internatl. Mng.	94	Upper Seine	94
Jason	94	Wendigo	94

REGULAR FEATURES

Banking	88
Bond Markets	85
Bond Quotations	92
Business, Week in	87
Commodities	93
Editorial	86
Foreign Exchange	84
Insurance:	
Fire and Casualty	91
Life	91
Investment Trends	84
Investment Enquiries	90
Market Opinions	84
Stock Quotations	92
Mining, Week in	95
Mining Enquiries	94
Stock Quotations	92
Oils, Week in	94
Stock Quotations	92
Pulp and Paper	89
Wheat, Week in	93
Grain Quotations	93

Easing Wheat Storage Problem

Continued from Page 81

will move overseas in the near future. A figure of 430 millions for commercial storage takes into account recent provision made by constructing elevator annexes to enlarge storage capacity.

Banks' Status Distorted

In the meantime, it appears that an injustice was done the banks in reports circulated, and even in public official statements, as to their position in regard to advancing loans on grain held in farm storage. Widespread impression has been created, and supported by Ottawa versions of recent wheat finance conferences, that plans for such farm store advances fell through because the banks declined to participate. They declined to provide funds, it was inferred, even under Government guarantees ranging up to 100%.

The Financial Post is reliably informed that such reports give a false and misleading interpretation of the wheat finance problem. No specific proposition, with or without a guarantee, was made to the banks at the Ottawa conferences, it is said. The banks are understood to have been invited to present their views, but as far as they knew when the conferences wound up, no decision had been reached on the matter.

Position of Banks

It is now generally agreed that the problem of getting the guaranteed price, or part of it, to the farmers in advance of deliveries to the elevators, is not in any way a problem in bank credit.

The banks are continuing to do business in the West on a selected risk basis, as always, and with some increase in business at the present time. But the problem of paying the guaranteed price to the farmers, it is now agreed, lies with the Wheat Board and the Government, which are at present studying the technical difficulties involved.

Onus on Dominion

Authorities close to wheat finance and marketing problems insist that the full onus of financing the wheat movement and tiding farmers through the storage crisis, now rests and has always rested on the Dominion. The Government has committed itself to buy the crop at a base price of 70 cents a bushel, it is pointed out, and sooner or later must pay for it.

The statement of Hon. J. A. MacKinnon, Minister of Trade and Commerce, explaining the delay in wheat store financing, has been branded by Premier Bracken of Manitoba as "neat side-stepping." And the Winnipeg Tribune has objected that Mr. MacKinnon "makes the unwarranted assumption that the responsibility lies with the banks, the elevator companies, or the prairie governments."

Mr. Bracken said in part :

"The problem remains crystal clear. The Dominion Government has bought the crop but because of storage space shortage has so far arranged to pay for only one third of it. As a result the western economy will be short $80-$100 millions for the next two months.

"This shortage can be provided or it can be withheld through the instrumentality of the Dominion Government and by no one else."

George S. May Names New Canadian Head

John J. Coffey, Jr., has been named eastern divisional manager of the George S. May Co., management engineers. In addition to managing company affairs in 18 eastern states, Mr. Coffey will also serve as general manager of George S. May Ltd. of Canada which maintains offices in both Toronto and Montreal. Mr. Coffey, who joined the company in 1938, will make his future headquarters in New York.

CAN. FOREIGN INVESTMENT

From Our Own Correspondent

MONTREAL.—Canadian Foreign Investment Corp. has advised the Montreal Stock Exchange that a further 286 shares of the 8% cumulative preferred stock have been redeemed and cancelled. On Sept. 12, 8,966 preferred shares remained outstanding.

When You Send MONEY by MAIL

You don't mail actual money, of course—you go to our nearest branch and purchase a Money Order, which you can safely post as a present to someone, or to pay a bill. Our Money Orders are a safe and convenient way of sending money, and they are not expensive.

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It has been the privilege of this firm to make a great number of the engravings used to illustrate the "Canada's Industrial Front" supplement of The Financial Post.

10 St. Patrick St., Toronto. AD. 0928

Monarch Knit's Sales Climb

Continued from Page 81

for winter goods, and the promise is the war demand will hold up for some time yet.

Civilian Sales Good

Civilian business also is satisfactory, and a good increase has been shown this year as compared with the same period of 1939. Outlook, in view of better general business conditions in the Dominion, also is promising.

In raw materials, the company uses wool and silk. Price of the former is about 60 to 70% above prewar levels, while the cost of silk is also higher. In view of war uncertainties, the company has found it advisable to increase substantially its inventories of raw materials.

Modernizing Plant

A fairly extensive programme of modernization has been undertaken this year, and capital expenditures have been fairly heavy. New types of knitting and spinning machines have and are being installed.

Most uncertain factor for Monarch Knit at the present is the question of taxes. Study of the "excess" profits tax by The Financial Post shows companies with widely fluctuating earnings are hardest hit unless a special ruling can be obtained under the "depressed business" classification. This company's profits have been relatively unstable in the four years 1936-39, so unless special consideration is obtained from the referee board taxation would be heavy.

Dividend Policy

Company officials are unable at present to discuss dividend policy. The company paid $7 per share on the 7% preferred stock in February—the first since 1938. Arrears on June 30 totalled $59.66 2/3.

The Financial Post learns from other sources, however, that if the tax problem can be settled satisfactorily, it would not be surprising if another distribution were forthcoming in the near future.

The Independent Order of Foresters

The Certificates issued by The Independent Order of Foresters furnish a wide range of insurance protection, and associated with membership there are valuable fraternal benefits.

Mortuary Benefits, Sick Benefits, Disability Benefits, Old Age Benefits, Automatic Non-forfeiture Privileges, and Certificates maturing at ages sixty and sixty-five.

ASSETS OVER $44,000,000.00

FRANK E. HAND, Supreme Chief Ranger

Head Office: - - Toronto, Canada

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THE ROYAL TRUST COMPANY

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Municipal—							
Brantford, Ont.	Sept.	Can. Bank of Commerce	2½%	*	$62,300	99.3000	2.75%
*Three months to four years serial.							
Dominion—							
Canada Treasury Bills	Sept.			Dec. 13, '40	40,000,000	99.839	.647%

London Calling

by Atticus

Churchill Has a Special Action Label—Sees No Long-term Office for Him—Welcomes One Not An Amateur

MR. CHURCHILL

LONDON.—The Prime Minister is quite unlike any of his recent predecessors. He has few advisers. While he greatly values the good opinion of the House of Commons, he is not obsessed with the Press, despite his firm belief in the necessity for its free expression.

He does not study newspapers to see what they are saying about him, but is content with his star, which has brought him to Premiership after many curious diversions and excursions.

I doubt if he sees himself as a long-term Premier, but rather as one who has been matched by destiny with the hour.

His attainment of the supreme political office has altered him little. He is dynamic, brusque, emotional and uncompromising.

From more than one source I have heard of an interesting experiment which he has introduced. He has had printed a supply of labels worded more or less to the effect of "For action this day." He alone can affix it. Mr. Churchill uses the label sparingly, but once it is affixed then the gods themselves cannot save the official or minister who does not take action before the day is out.

The ending of the Premier's speech was first rate. Who else but Winston Churchill would have seized upon the music hall doggerel of "It just keeps rolling along" to base his climax of "Let it roll!"? No wonder the House cheered. It was a great speech splendidly delivered, and never superficial for a moment.

• • •

First Flyer

In the debate that followed the honors were won easily by Lt.-Col. Moore-Brabazon. The colonel holds the certificate of having been the first Englishman to fly, which is quite different from the account of a junior reporter who wrote that "he was the first certified Englishman to fly."

In spite of a close friendship of many years, Moore-Brabazon puzzles me. He has style, irony, personality and ability. Certainly he is among the best speakers in the House. Yet he was once an undersecretary and faded out. When Mr. Baldwin decided to make the famous by-election of St. George's a vote of confidence in his leadership, Moore-Brabazon was already the adopted Conservative candidate. He refused, however, to run for Baldwin, and also declined to run against him. In the melee that followed he disappeared from the scene, and Mr. Duff Cooper, galloping up from Winchester, fought for his leader.

• • •

Ripe for Advancement

This fading out process can be overdone. Colonel Moore-Brabazon is obviously ripe for political advancement, despite his unflattering remark recently that there was not a minister on the front bench, except the Premier, who counted a jot with the public. I did enjoy, however, his aside that the new composition of the Government thoroughly disproved the accepted dictum that leopards cannot change their spots. "Brab" is a definite tip for office providing he stays in the ring.

On the same day that all this occurred a distinguished new M.P. took his seat and was mildly cheered by a House that finds it quite impossible to keep track of these "no contest" victors. At the same time Sir Malcolm Robertson is not likely to be with us long before he makes his voice heard. What is more he has a deep, dignified and "fruity" voice, which will fall agreeably upon the ear. His pilgrimage from the bar of the House to Mr. Speaker also made history since one of his sponsors was a woman M.P., Miss Thelma Cazalet.

• • •

Too Many Amateurs

Sir Malcolm whose father was also in the Foreign Office, was in the diplomatic service until 1930, when he retired. He married an American lady, he served in Berlin, Peking, Madrid, Bucharest, and in the important years of the last war was in Montevideo and Washington. After the war he was Deputy British High Commissioner on the Inter-Allied Rhineland Commission. I hope he will make his maiden speech soon. We have so many amateur foreign secretaries at Westminster that the voice of practical experience would be at once a novelty and a boon.

I have an amiable weakness for celebrities, and therefore I was recently delighted to receive a call from Georges Clemenceau. He spoke to me in English as fluent as his French, and expressed disappointment that General de Gaulle would not have him as a soldier. He had escaped from Paris, and with his younger brother is now living in London.

In the midst of our conversation, however, my distinguished visitor, looking at my garden, said that if he had a bicycle he would ride around it. With some effort we produced a bicycle belonging to a small relative of mine, who is away. Thereupon my guest leaped on the machine and did some remarkable things with it.

• • •

Film Subject

It was interesting to see the great-grandson of the Tiger and the grandson of Sarah Bernhardt giving this solo performance. But then, at seven years, one does unusual things. In the end I gave Georges the bicycle, which he accepted not only with grace, but also presented me with a ten-centime piece. "I'm afraid you won't be able to change it into English money now," he said.

What a moving and significant film could be made from his story, and how well he would act the leading part! A Clemenceau in exile from France . . . .

• • •

Unwept, Unhonored . . .

The death of Leon Trotsky, the man of violence, proves once more that those who promote revolution are eventually consumed by it. Robespierre, Danton, Trotsky—the list is endless.

Perhaps the strangest thing about Trotsky is that, as far as one knows, he died without causing the shedding of a tear. With Lenin, he was co-architect of the much-heralded emancipation of the masses, which resulted in the Bolshevik tyranny of Russia; and yet our noisy little band of Communists in this country have made no effort to drop a wreath on his memory.

The truth is, I suppose, that Trotsky was unlovable. He had immense ability, but those fox-like eyes, glinting from behind his glasses, lacked humanity. He commanded fear, but never affection.

He wrote well but his pen will probably be better known in history for signing the surrender to the Germans at Brest-Litovsk than for its fulminations against Stalin or his justification of himself.

In the latter years of his life he was rather like that strange gangster Jack Diamond, who sailed from America to Europe, and was not allowed to land at any port, eventually returning to his native land, where, after two or three attempts, he was duly murdered.

Wherever Trotsky went the hand of Stalin followed him. Yet Trotsky had many gifts, and, while one can despise his memory for the vast continent of human suffering that he opened up, one must concede him style. The opening sentence of his memoirs is superb: "It is the march of events."

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Beatty Sees Rails Carrying Lumber

From Our Own Correspondent

VANCOUVER. — Canada's railroads are expected to carry a greater share of the lumber movement from west coast centres during the coming winter.

While the traffic by sea has been heavy during the past two months, and the supply of ship tonnage is being well maintained, Sir Edward Beatty, president of the Canadian Pacific Railway, intimated while on the coast last week that war conditions would inevitably result in a diversion of lumber from the deep sea Pacific routes to the overland run between Vancouver and St. Lawrence and Maritime ports.

Lumber is playing an ever increasing part in British Columbia's war-time industrial effort and production is probably greater now than ever before, with more than a billion and a half feet having been cut during the first six months of the year.

The Post-Bag

U. S. Election

The "smear Willkie" campaign is going strong across the line. All sorts of "dirt" is being dug up about his past; most of the dirt consisting of distorted references to his record as a public utility executive.

Isolationism is hurting Republican chances, despite Willkie's support for the "Aid Britain" effort. Roosevelt has staked out a democratic monopoly on hatred for Hitler.

The election is still much in doubt, with some straw votes favoring Willkie, some Roosevelt and betting odds all favoring the President.

• • •

Hitler Edited

Hitler did not write "Mein Kampf." He scribbled the first incoherent version. An editor-priest then put it in readable language. Hitler rewarded his ghost writer by murdering him.

Otto Strasser tells the story in "Hitler and I." He says "Mein Kampf" in its original form was "a veritable hotch-potch of commonplaces, schoolboy reminiscences, personal opinions, expressions of personal animosity." It was written in the style of a fifth-form schoolboy and not a very intelligent boy at that.

Father Staempfle rewrote it.

"He eliminated the more flagrant inaccuracies and the excessively childish platitudes. Hitler never forgave Father Staempfle for getting to know his weaknesses so well. He had him murdered by a 'special death squad' on the night of June 30, 1934."

• • •

Point of View

We have just been reading two books, both just published by the same publishers, Longmans, Green of Toronto.

In one, Major Al Williams, American flyer-columnist lets us in on the secret that Hitler and Mussolini sent no aid to Franco; but that the Russians, French and Britain poured aid into the Republican cause.

In the other, André Simone, French writer, lets us in on another secret; that France sealed the Pyrenees frontier and sent no aid to the Loyalists, but that Italy and Germany poured planes and tanks and guns into Franco Spain with the knowledge and connivance of France's political heads.

Apparently your version of history nowadays depends upon whether you are of the Right or the Left.

• • •

Curiosity

This week we received a letter, mailed from Toronto, with the postmark "Toronto, October 13, '40."

"Backward, turn backward, O Time, in your flight."

• • •

As Seen from N. Y.

New York Daily News says Canada has "conscripted" all single girls between 18 and 25 for work in the fields, due to the shortage of farm hands.

• • •

Monday morning's papers in New York had the British trans-ocean plane, "Clare," lost at sea. How come we got a letter on the same Monday morning that came via the "Clare," after being posted in London the previous Wednesday?

• • •

"Somewhere in northern Ontario" is the way PM, New York daily, labels an article by one of its staff sob sisters. The article, written about internment camps for German prisoners in Canada, sounds as though it were written in a Broadway movie house during a showing of a James Oliver Curwood film.

Canada's "Devil's Islands" are set in wolf-infested forests, she says. In the summer if you escape the chances are the bush fires will get you. If they don't, the poison ivy will. If you sneak out on a sunny day in winter the temperature may suddenly drop to 50 below. When the guards catch up with you, you'll be a corpse.

• • •

Thanks, Adolf

Residents of a small English village on the Thames are almost inclined to thank Herr Hitler for one recent bomb his airmen dropped.

A few years ago the High Street of the town was widened. All the merchants agreed to the demolition and reconstruction of their shop fronts except an elderly and very stubborn spinster. She held out and as a result there has been a bottleneck in the street where her little china shop jutted into the road.

The other day a Nazi airman flew over at night and dropped a bomb squarely on the china shop. The bottleneck is gone.

• • •

Sang-froid

A woman writes this letter to the London Times:

"Recently a friend of mine was woken in the early hours of the morning by the crash of bombs dropped by a German raider in open country near her house. A minute or so after the explosion she heard the housemaid's knock on the bedroom door and a calm voice announcing, 'Bombs, please, madam!'"

• • •

Planned That Way?

Browsing in the library the other night we ran across a forgotten book. It was a critical study of Franklin D. Roosevelt's New Deal. The title was; "We Planned it That Way." It was published in 1938.

Mr. Roosevelt got no bouquets in that book. He got plenty of brickbats, even though they were wrapped up in soft words to lighten the blows.

The author was Frank Knox. Mr. Knox is now Mr. Roosevelt's Secretary of War.

That's how Mr. Hitler has unified the American people.

How Much You Must Save To Meet Income Tax

From Our Own Correspondent

OTTAWA.—The scale of weekly and monthly savings required by income taxpayers to meet increased taxes under wartime schedules has been prepared by the income tax branch as a suggestion to aid the public in setting aside enough funds to pay the tax.

The tax payment to be made on or before April 30 next year, the branch indicated, and each year thereafter will be so heavy that it may come as a surprise to those who have to pay it and have not provided for it.

The suggestion to encourage a regular saving plan to meet the income tax is set forth in a pamphlet containing information on the application of the new national defense tax of 2% or 3% on salaries, collected by employers.

The income tax division asks employers to keep their employees reminded of this general income tax liability so they may plan to save before the tax is due.

The following table is for a married person, without dependents, and serves substantially as a guide for all persons, since the reduction for a dependent is relatively small.

Income before exemption	Tax payable	Weekly saving necessary	Monthly
$ 2,000 ...	35	0.67	2.92
3,000	135	2.60	11.25
4,000	275	5.29	22.92
5,000	455	8.75	37.92
6,000	695	13.37	57.92
7,000	970	18.65	80.83
8,000	1,275	24.52	106.25
9,000	1,610	30.96	134.17
10,000	1,970	37.88	164.17
11,000	2,360	45.38	196.67
12,000	2,770	53.27	230.83
15,000	4,030	77.50	335.83
20,000	6,130	117.88	510.83
25,000	8,350	160.58	695.83
30,000	10,600	203.85	883.33
50,000	20,610	396.35	1,717.50
75,000	34,565	664.71	2,880.42
100,000	49,520	952.31	4,126.67
150,000	81.475	1,566.83	6,789.58
200,000	115,430	2,219.81	9,619.17
250,000	151,870	2,920.58	12,655.83
500,000	347,235	6,677.60	28,936.25

Competent Hands

In settling estates and managing trust funds we offer those priceless qualifications — EXPERIENCE and REAL PERSONAL ATTENTION.

Call and discuss with one of our experienced trust officers in a strictly confidential interview any will or estate matter in which you are interested.

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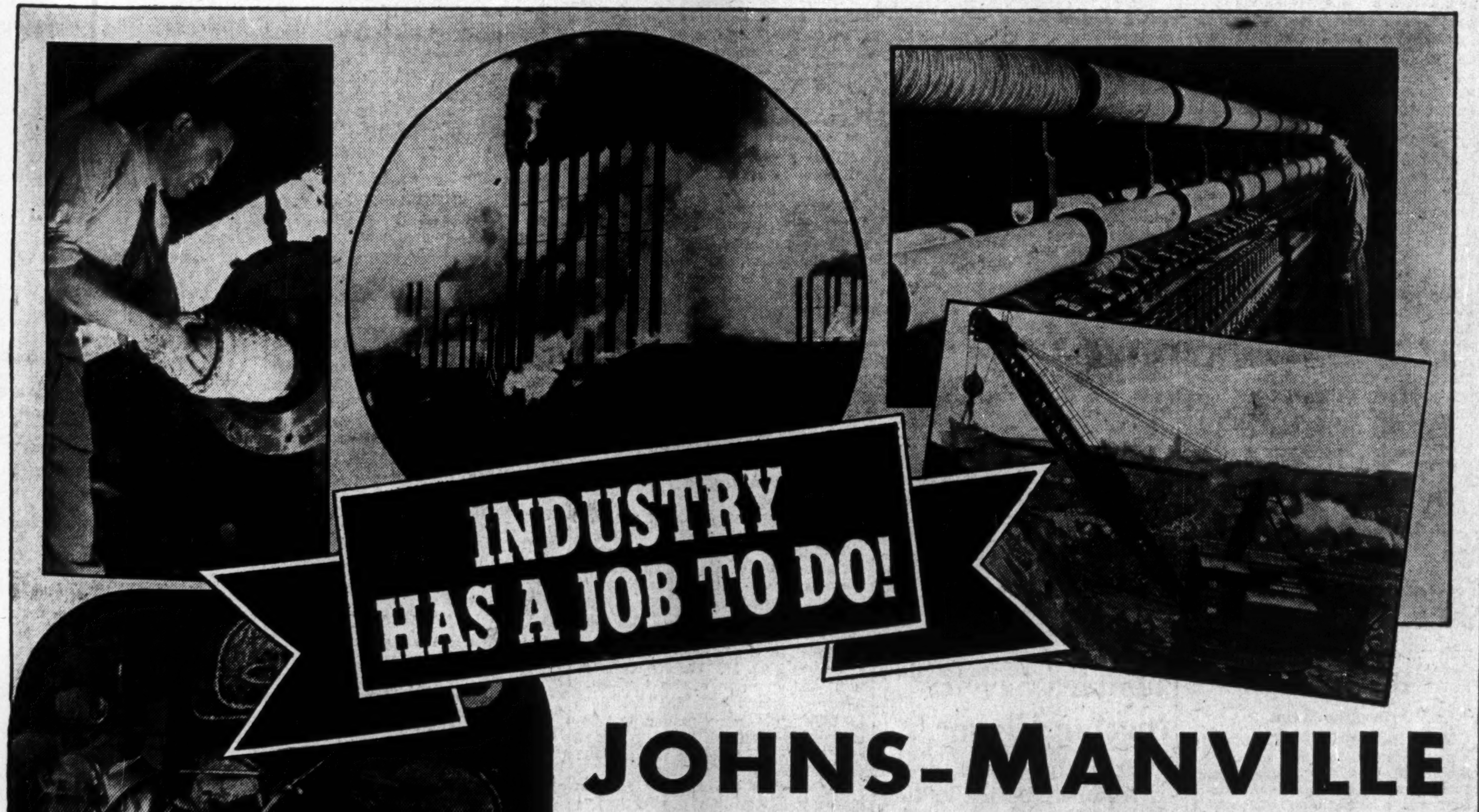

JOHNS-MANVILLE

Helps Industry "See It Through"

AS Canada's war effort sweeps ahead "full out", Canadian industry is doubling and redoubling its capacity to serve. On almost every industrial front today *expansion* is the watchword—and *speed* the order of the day. That is where Canadian Johns-Manville is "doing its bit."

Night and day, as fast as men and machines can work, J-M is rushing production of the materials essential to the expansion or modernization of the manufacturing plant, the mill and the mine. Industrial roofings of all kinds . . . insulation . . . siding . . . flooring . . . insulating board products . . . wallboards. Packings . . . gaskets . . . industrial insulations of every type . . . refractories. Brake linings . . . clutch facings . . . friction materials for every application.

If war-time production demands bring *you* face to face with an urgent construction or modernizing job to do, Johns-Manville can help you "see it through". Back of our Canadian mine, the largest asbestos mine in the world—back of our Canadian manufacturing plant—stand the experience of 82 years and a service that embraces 1200 different industrial commodities. We maintain a dominion-wide field organization to serve you directly and quickly. A telephone call, wire or letter to your nearest Johns-Manville office will get action . . . *fast*.

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and other essential materials for Factory, Mill, Shop, Office

The Voice of French Canada

FRENCH CANADA has demonstrated an understanding, loyalty and co-operation in the present crisis which brings it shoulder to shoulder in the national effort.

The spirit of French Canada is mirrored in the voice of the paper to which it has accorded leadership through the years. And in turn "La Presse" has given editorial leadership and news which have inspired French Canada's stability and vision.

French Canada speaks a different language but its heart beat is Canadian through and through. And you must reach the heart and mind of French Canadians in their own language.

They respond best through the courtesy to and the understanding of their native tongue.

Using the language of French Canadians is responsive through "La Presse" — the voice of French Canada.

•

An Imperious Duty

"It is essential in order that Canada's second war loan be a complete success that everyone, the wealthy as well as those of modest savings, subscribe to it generously. The Hon. J. L. Ilsley, Minister of Finance, has requested all Canadians to do so, and it is an imperious duty to which no one should be exempt . . .

This time the large subscriptions alone will not be sufficient to make up the amount required to continue the war and to assure the territorial defences of this country in co-operation with the United States.

The military organization presently under way will be more effective if it has the support of all classes of the Canadian people. The effort which will bring final victory must come from every home and purse because the peril which we have to combat menaces the entire Canadian people . . . Failure on the part of Canadians, here and elsewhere, to buy these bonds, will be a serious obstacle to the cause we have all undertaken to win . . .

The more bonds all Canadians buy, large and small subscribers alike, the better will be the chances to defeat the forces that are trying to dominate the world and to submit it to the regime under which Poland, France, Belgium and their other victims are suffering . . .

Excerpt from a "La Presse" editorial, September 12th, 1940.

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LA PRESSE

The Largest Daily Circulation in Montreal and in the Province of Quebec

Investment Trends

Invasion Fear Halts Stock Market Moves

Balance of Month Appears Critical Period of War and Gives Basis For Caution on Part of Investors

Until the long-expected German attempt to invade Britain is either given up or defeated, any strong stock market recovery is hardly to be expected. Moreover, the markets on this continent have given renewed proof that the war and its changing fortunes remain the greatest influence on prices.

In Canada and the United States stocks reached their highest point since early June in the first week of September. This has been followed by a reaction which wiped out about 25% of the previous gain.

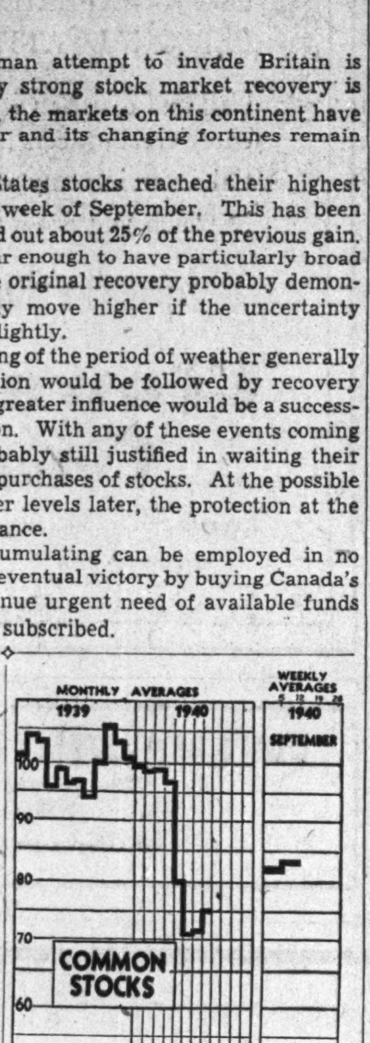
Neither of these moves went far enough to have particularly broad significance except in so far as the original recovery probably demonstrated that stocks would quickly move higher if the uncertainty of the war could be lifted even slightly.

Thus it is possible that the passing of the period of weather generally considered favorable for an invasion would be followed by recovery in stock prices. Probably of even greater influence would be a successful repulse of an attempted invasion. With any of these events coming on short notice, investors are probably still justified in waiting their outcome rather than making new purchases of stocks. At the possible expense of having to buy at higher levels later, the protection at the moment seems of greater importance.

Thus cash which may be accumulating can be employed in no better way than to lend support to eventual victory by buying Canada's war loan bonds. There will continue urgent need of available funds even after the present loan is fully subscribed.

Grain and Flour

Due this month are annual reports for the majority of elevator companies and flour milling companies. This year some of these reports may be delayed by added difficulty in determining exact tax liability under the newly-imposed taxes. Most of these companies will probably be applying for special treatment because of their record of low earnings during recent years, including the four-year base period for the E.P.T.



In spite of heavier tax burdens it is reasonable to expect relatively favorable reports from these two groups. The major difficulty faced by elevator companies—that of having no grain to store and handle—disappeared last year. They are assured of having their bins filled to capacity for the coming year as well. Other sources of income, such as handling charges, will depend on ultimate disposal of Canada's record wheat crop. This is something for which no solution appears in sight. Flour companies have also had a more active year even if earlier expectations of boom operations resulting from the war have failed to materialize. But with the single exception of June this year, each month for the past year and a half has shown flour output well ahead of the corresponding month a year ago. With the question of the processing tax on wheat consumed in Canada now settled favorably for the milling companies, their domestic position seems good.

* * *

Finance Companies

A taste of what extreme war measures can mean for companies engaged in financing of installment purchases is seen from British experience. In that country a moratorium has been declared on debts of those serving in the armed forces and those evacuated from defense areas. This immobilizes the assets of such companies. Then there is a ban on sale of new automobiles for private use. The public is said not to be buying furniture, refrigerators and other articles usually sold on time payments. There is not much incentive to buy such immovables and expose them to the serious risk of German bombs. Finally, government pressure sees to it that the banks steer credit to essential war services.

It is probable that time payments have not made as great progress in Britain as they have in Canada. Moreover, in this country drastic measures to restrict purchases of durable goods usually bought on the installment plan have not been taken. But it is conceivable that such steps might be taken as time goes on and it becomes necessary to impose an even greater marshalling of Canadian resources.

* * *

London Carries On

A few days ago when bombing attacks on London reached their peak, the London Stock Exchange was half an hour late in opening for business in the morning. Since then the Exchange committee has announced that hours of trading are to be shortened by closing at 2 p.m. instead of the customary 3 p.m. each day.

In spite of this evidence of some inconvenience, stock markets in London continue to function with remarkable steadiness, a tribute alike to the importance of the financial side of this war and to the composure with which all England is enduring its ordeal.

Moreover, indices of stock prices in London have held firm under the heaviest bombing attacks. At 78.5 on Sept. 16, the London industrial share index was holding a greater proportion of its recent gains than was the case in Canada and New York.

The London Stock Exchange has machinery ready to transfer its operations to the motion picture studios at Daventry. In the event that a move from London becomes necessary, this place is ready and it is quite possible that a portion of the Exchange's work is already being done outside the city.

Trust Company To Cut Capital

Continued from Page 81

means no actual reduction in individual shareholders' interest in the company. Book value of each share, after allowing for the revaluation of assets, will be $118.82 a share with adequate provision made for all possible losses. The present stock is quoted among Toronto unlisted dealers at from $24 to $25 a share.

Earning Power Maintained

It is pointed out that earning power of the company will probably be improved eventually through the proposed changes. In any event there is likely to be no injury to earnings available for shareholders.

So far as it is possible to forecast at present, it is understood that company officials feel that dividend income of individual shareholders will remain on the same scale as before the changes. It is assumed that this means a dividend of $4 a share will be paid on the new stock in place of the $2 a share now paid on twice the number of shares. Present earned surplus of $238,556 will remain unchanged.

A feature of the changes will be, The Financial Post is told, that the company will be able to dispose of certain assets. To do so now would mean losses from book value and an impairment of capital. When these assets are written down to present-day values, however, it will be possible to sell them without interfering with capital account. The company can thus sell non-revenue producing assets and replace them with others which will provide additional earnings.

Wolfe River Pulp

Among the items to be written down are a number which are the result of investments of many years standing. Largest single item is an investment shown in the company's books at $590,289 in the bonds of Wolfe River Pulp Co. The Wolfe River property was acquired many years ago and was sold in 1920 for in the neighborhood of $700,000. Trusts & Guarantee received $150,000 in cash but the purchasers defaulted on the balance of the purchase price.

The property includes timber limits in Quebec and a groundwood pulp mill which is now operating on a small scale. It is estimated that the figure at which this property will then be shown on the company's books represents a minimum realization value.

Like other companies lending on mortgages in Canada, and western Canada in particular, Trusts & Guarantee has suffered some losses and has had to take over substantial amounts of real estate. To bring these items down to today's values, the reserve of $440,000 is provided, an amount which company officials maintain is quite adequate so far as can be seen at present.

Major item requiring revision among stocks is 2,000 shares of Okanagan Valley Land Co. which is carried on the books at $102,500 and was acquired at no cost to the company. This is to be written down to a nominal value of $1. What its eventual realization may be cannot be foretold at present but it is likely to be small.

Back in 1920, Trusts & Guarantee had an appraisal made of its Toronto head office building as a result of which this was written up on the books by $244,436. This building as well as the Calgary office is owned by Trusts Buildings Ltd., a wholly-owned subsidiary. This subsidiary had at the end of 1939 a first mortgage of $434,500 and bonds of $350,000 outstanding, both guaranteed by the trust company. When the original appraisal was made the resulting write-up was utilized to provide for a portion of the loss on the abortive sale of the Wolfe River Pulp Co. It is now proposed to cancel the 1920 increase in book value of office premises.

Abitibi Bonds Still Accepted

No Official Extension of Sept. 14 Date For Receiving Deposits Granted

Although the date for accepting deposits of Abitibi Power & Paper bonds has expired, bondholders wishing to support the judicial sale plan of the bondholders' protective committee have still a chance to come in.

Bonds taken to the Montreal Trust Co. or any other depositary may be submitted with the request that they be added to the bonds on deposit. A note is made of this request and a list of those who have taken this belated action presented to the chairman of the bondholders' committee, H. J. Symington.

Mr. Symington, and his committee, may then give approval to the acceptance of the bonds. As it is obviously in the interests of the committee's efforts to buy the Abitibi properties to have as large a proportion of bonds on deposit as possible, it is expected that such approval will be forthcoming where requested.

Hearing On Reserve Bid

Interest has now turned towards the hearing preliminary to setting the reserve bid. On Sept. 20, arguments are being presented before F. H. Barlow, Master of the Ontario Supreme Court, after which he will set the reserve bid to apply at the sale of Abitibi assets on Oct. 16. This bid will not be made known until after the sale is completed but will be placed in a sealed envelope to be opened when the time comes for considering the bids received.

At this hearing interested parties will be given an opportunity to give their views as to what this reserve bid should be. Among those heard will probably be the receiver, G. T. Clarkson, and the liquidator, R. S. McPherson. The former manages the property for bondholders and the latter represents shareholders and general creditors. Both are officials appointed by the court. The Montreal Trust Co., a trustee for bondholders, will be represented, as will the bondholders' protective committee's representatives.

No announcement has yet been made of exactly how many bonds the bondholders' committee actually had on deposit when the date for accepting deposits passed. The committee announced some time prior to Sept. 14 that it had more than 60% of the $48.3 millions of bonds outstanding pledged in its support. Spokesmen for the committee also told The Financial Post that deposits were coming steadily right up to the last minute. Many small bondholders are still coming forward.

Sale May Fail

Opinion still seems to be, as forecast in The Financial Post at various times recently, that the sale attempt on Oct. 16 is unlikely to be successful. It is felt that the reserve bid will probably be higher than any cash amount which any group will be able to offer. Anything less than the face amount of the bonds themselves is considered very unlikely while it may even go as high as to include unpaid interest arrears. The latter would bring the figure up over $70 millions.

Rumors continue to the effect that more than one bid will be found when the sale date comes around. Actually there is nothing to prevent any group with adequate backing from attempting to purchase Abitibi. The bondholders have made known their intention to bid for the properties, using deposited bonds as part payment. This gives them an undoubted advantage over any group which might have to raise the entire amount involved in cash. It is said that efforts are going on to interest United States financial interests in supplying an important proportion of the backing necessary to purchase the company.

Significant Investors' Index Numbers

1926 = 100

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg., mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
1929-39:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1940: Monthly Figures:												
Jan.	134.3	24.5	98.8	155.8	86.4	183.0	135.4	150.7	61.3	84.5	45.7	99.7
Feb.	129.3	23.4	98.4	158.2	90.7	184.3	134.0	146.8	60.3	84.3	45.3	99.0
Mar.	134.1	22.9	96.5	155.4	91.4	185.7	135.4	146.5	61.1	85.1	47.1	99.1
Apr.	132.5	24.6	95.9	147.6	91.6	184.7	137.9	146.4	61.9	83.8	47.1	97.0
May	102.6	16.3	77.6	124.7	80.5	165.0	117.9	115.8	52.0	79.7	39.4	80.4
June	93.2	13.1	62.9	100.2	70.3	144.1	106.9	103.3	47.0	74.7	35.8	71.9
July	92.0	13.9	67.1	101.3	74.5	145.8	114.2	102.3	47.1	70.0	35.5	72.5
Weekly Figures:												
Aug. 1 ..	94.7	15.3	70.0	105.8	76.2	149.1	119.1	105.8	48.2	71.2	36.7	75.0
Aug. 8 ..	96.1	15.0	68.9	106.2	76.2	151.1	121.5	105.6	48.7	71.7	36.8	75.5
Aug. 15 ..	95.0	15.1	67.7	103.0	75.2	150.0	119.6	104.8	48.2	72.1	36.5	74.5
Aug. 22 ..	97.6	15.1	68.5	102.2	76.0	147.0	118.8	107.0	48.6	72.0	37.0	74.9
Aug. 29 ..	101.3	15.4	67.7	105.5	77.5	151.3	120.7	110.0	48.8	72.3	37.5	77.4
Sept. 5 ..	107.8	16.7	71.9	118.7	80.5	156.3	123.6	119.2	50.4	75.5	39.2	82.4
Sept. 12 ..	106.4	16.3	80.6	123.4	83.0	164.9	124.9	120.9	51.4	76.6	39.5	83.6

*High and low for year from 1929 to 1939 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Foreign Exchange

During the week Sept. 10 to Sept. 16 there was no change in the quotation to the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Sept. 9

Australia ...	3.58	N. Zealand .	3.61
India	.3368	S. Africa ...	4.47
Japan	.2605	Hong Kong .	.2605

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Sept. 17	103.28	95.99	66.89	22.07
Sept. 16	102.16	94.96	66.35	22.02
Sept. 14	102.09	94.62	66.21	21.64
Sept. 13	101.81	94.61	66.06	21.58
Sept. 12	102.11	94.95	66.52	21.95
Sept. 11	102.98	95.51	66.98	22.63
Month ago ..	92.89	87.53	60.62	19.91
Year ago	113.90	104.46	88.46	31.22
High, 1940 ..	128.84	123.80	86.97	33.31
Low, 1940 ..	86.00	77.34	56.81	18.44

Montreal Stock Exchange Average

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Sept. 17	56.7	68.1	64.3	89.51	72.31
Sept. 16	56.6	68.0	64.2	87.84	70.55
Sept. 14	56.5	67.5	63.8	86.74	70.25
Sept. 13	56.0	67.3	63.5	86.03	70.72
Sept. 12	56.1	68.2	64.2	87.32	71.68
Sept. 11	56.2	68.6	64.5	90.23	72.51
Month ago .	53.7	60.6	58.3	80.51	64.38
Year ago	56.3	81.9	73.4	117.15	89.92
High, 1940 .	69.2	92.2	84.4	162.63	100.81
Low, 1940 ..	50.7	56.0	54.7	66.44	55.16

Ottawa Now Realizes Blunder on Labor

Wants to Reverse Stand Regarding Universal Military Training But Finds Predicament Very Embarrassing—Unlikely to Announce Change

From Our Own Correspondent

OTTAWA.—The gravity of the labor situation is now seeping into the inner circles on Parliament Hill and although the delegation of leading manufacturers that recently interviewed the Government got little satisfaction, it is becoming increasingly plain that action will be taken.

The labor crisis arose, primarily, out of the national training plan. The Government announced this plan in mid-June and declared about the end of July that some 300,000 young men would be called for 30 days training during the course of the year. There would be no exemptions although postponements in individual cases would be granted in order not to disorganize industrial production.

It very quickly developed, however, that postponements would not meet the need. No matter how late in the year some of these men were canned for training, their absence from factories would slow down, and in some cases halt, production.

Much Embarrassment

Full realization of this fact, which has come to the Government only in the past few days, leaves the Cabinet in a position of much embarrassment. The Government has nailed its colors to the no-exemption policy.

It must now reverse this policy and, even though such a reversal is now certain, it does not relish the thought of publicly doing do. The most probable course to be followed, therefore, is to make it easy for industries to arrange postponement of training for keymen until early next summer. By then the Government will be able to admit the necessity of exemptions and amend the present training regulations.

The whole incident is causing much heartburning in high quarters. And the reason for it is obvious.

Last June two things happened: the national training policy was announced and the Government created the National Labor Supply Council, under the direction of Hon. Norman McLarty, Minister of Labor.

This council, comprising representatives of employers and employees, foresaw at once the difficulties which must arise if a no-exemption policy was adopted and proceeded to work out in detail a plan whereby exemptions could be efficiently administered. Men absolutely essential to industrial production were to be exempted from military service. Every safeguard was provided against the abuse of the exemption privilege.

Had Different View

The Government as a whole, however, proceeded to work out the training plan without, apparently, the slightest knowledge of the work being done by the council and late in July the no-exemption policy was announced.

Since then the present crisis was inevitable, but for some weeks it smoldered beneath the surface. Industrialists confronted with an unyielding training policy were compelled at last to face the consequences. They could not fill their contracts. Delivery dates would have to be set back.

The letters of these industrialists, addressed chiefly to the Munitions and Supply Department, brought the first real inkling to the Government that a serious blunder had been made. Officials of the Munitions and Supply Department began to protest. Other departments intimately concerned with the war effort became alive to the situation. Industrialists were asked to state their case. The facts respecting many of the key industries were turned in to Ottawa and began to be widely circulated. And the more these facts were studied the more impossible the policy of the Government became.

The only point now in issue is how the Government reverses the no-exemption policy of last July. That it will be reversed goes without saying. The facts are unanswerable and the consequences of not reversing the policy inescapable.

In all probability, however, the Government will allow the matter to drift until all leeway provided by the present right to postpone training is exhausted. This may well be late next spring.

Market Opinions

Stock market commentators still do not appear ready to advise confident purchases of shares, holding rather to a cautious attitude.

Barron's, N.Y. (The Trader)—The jokers in the situation are: (1) The ability of Great Britain to hold out, (2) the possibility of increasing American support "short of war" leading us into hostilities, and (3) the ultimate tax basis under a war economy. Any one of these uncertain factors alone could account for the conservatism exemplified by the stock market.

But the lack of dynamic power in the stock market is not reflected in the high-grade bond market. Prices of the highest grade issues, "municipals," have been steadily pushing forward to reach the highest level on record. . . . A persistent rise in high grade bonds is not a movement which is normally the precursor of convulsive liquidation in stocks.

The forecast is for a continuing rise in business activity. . . . While the two most powerful nations of the world are spending on so colossal a scale, can the anomaly indefinitely persist of private preference for cash to tangibles?

* * *

Brookmire Counselor, N.Y.—The outlook narrows down to this alternative: either the British will be able to continue their successful defense, which would lead to a combined war-defense-recovery boom here; or face the possibility of an onerous peace which would no doubt temporarily interrupt the prevailing expansion. An open mind on the outcome must still be kept; the weeks, or even days, just ahead are evidently the crucial period. In brief, the market faces a short-term uncertainty, but is fortified by a dynamic long-term uptrend.

* * *

Barron's N.Y. (The Dow Theorist)—The recession which occurred in the Dow-Jones averages of industrial and railroad stocks last week is no greater than a normal interruption in a secondary uptrend, such as has been under way, under the Dow theory interpretation of the market, since early June.

A correction of the long summer rise appears likely sooner or later. But the decline hardly qualifies as a correction so far. The retracement, 28% in the industrials and 23% in the rails, is insufficient. . . . The decline would amount to a true correction if it retraced one third to two thirds of the summer advance over a period of weeks, possibly with interrupting rallies.

Therefore, if a quick reversal should occur, taking prices above those of Sept. 5, it would be regarded as an extension of the secondary uptrend in what is still held to be a primary bear market under the Dow theory. Should such new highs be reached the likelihood of a subsequent correction of the whole rise would seem all the greater.

* * *

The Annalist, N.Y.—The general outlook for security prices continues to turn almost entirely upon the German attack on England. Business in this country is expanding and commodity prices rising. Stocks are low in relation to earnings, which promise to rise still farther before the close of the year. Undoubtedly a substantial upward readjustment in the general level of common stock prices would take place if it were not for the critical European situation.

Prime Minister Churchill's assertion that a German invasion of England is being prepared and may be launched within the next week suggests that the situation may soon resolve itself. If the attack were made and were beaten off, it is probable that stocks would rally sharply. On the other hand, a serious British defeat would undoubtedly cause a further decline, how severe it is impossible to judge.

Bond Sales

Brantford, Ont.

The Canadian Bank of Commerce has purchased $62,500 of city of Brantford, Ont., 2½% serial debentures, maturing in three months to four years. The issue was sold at a price to net the city 99.5006 and to provide yield of 2.75%.

Proceeds from the issue will be used to finance the balance due on the fleet of buses replacing the city's street railway which was retained early this year.

* * *

Dominion Treasury Bills

Probably reflecting the demand for money this week as a result of the second war loan, yield on Dominion of Canada Treasury Bills halted its consistently downward trend with the issue of $40 millions dated Sept. 13, payable Dec. 13. The previous six sales all had shown declines from previous issues.

Yield on the Sept. 13 issue of 0.647% compared with 0.641% for the issue dated Aug. 29. Price of 99.83887 compared with 99.84045 on Aug. 29.

Current issue is to redeem $25 millions dated June 14 and $15 millions issued May 1. The latter amount was sold in connection with the Dominion Government taking over the gold reserves of the Bank of Canada May 1.

Alberta Announces Interest Payment

The Province of Alberta announces that it will pay interest on the $2.8 millions issue of 6% bonds, which matured April 1, 1936, at the rate of 3%. This payment is for the half year ending Oct. 1, 1940.

Jamaica Service Income Higher

Both July and Seven Months Period Show Increases

From Our Own Correspondent

MONTREAL. — Net income of Jamaica Public Service Ltd. and subsidiaries for July rose to $18,353 from $16,264 in the same month last year, an increase of $2,089.

In the sevon months period to July 31 net income rose to $122,445 from $117,983 in the comparable period last year, an increase of $4,462.

Following is a comparative income statement for July and the seven months:

Cons. Income Statement

	1940	1939	Incr.
July:			
Oper. rev.	$92,086	$82,508	$9,578
Gross inc. after retire acct.	27,226	24,736	2,490
Net income	18,353	16,264	2,089
Seven Mos. end. July 31:			
Oper. rev.	615,750	572,818	42,932
Gross inc. after retire acct.	184,267	177,317	6,950
Net income	122,445	117,983	4,462

Note: The above figures have been converted from pounds sterling at the rate of $4.86⅔ to the pound.

Orange Crush (Eastern) Surrenders Charter

From Our Own Correspondent

MONTREAL. — Surrender of the charter of Orange Crush (Eastern) Ltd. has been granted by the Quebec Attorney-General and Minister of Municipal Affairs. The company was incorporated in 1935 and dissolved as at Aug. 31, 1940.

Four Million Canadians

have on deposit in our Savings Banks $1,612,549,076 —five times the amount needed to make Canada's Second War Loan an outstanding success.

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War Costs Up Sharply

110% of August Revenue Spent on War and Defense

Canada's rapidly expanding war effort is being reflected in increasing expenditure on the war machine.

In the past several months this increased outlay has been evident in monthly financial statements of the Dominion Treasury.

By August, $59.4 millions, or 63% of total expenditures of $94.2 millions for the month went into defense. This compares with $39 millions out of total expenditure of $74.6 millions, or 52%, for July. Average of war expenditure to total expenditure in the five months period was 50%.

It is quite apparent from the foregoing that Canada's war efforts have expanded considerably in the past month. Much of the expenditure in this period, however, would be accounted for by materials and supplies purchased earlier in the summer and for the rapidly growing Air Training Plan.

110% For War

In August the Dominion Government actually spent more on war and defense than it received in revenue. Revenue for the month totalled $54.1 millions, while expenditure on defense amounted to $59.4 millions. Expenditure on the war effort was therefore 110% of revenue. In the five months period war and defense expenditure was 52% of receipts.

The Dominion is now approaching the level of war effort envisioned in the war budget, when appropriation for this purpose was given at $700 millions for the year ended Mar. 31, 1940, plus an indeterminate amount, estimated in excess of $200 millions. While defense and war expenditure for August totalled $59.4 millions, a monthly average expenditure of $58 millions is required if the $700 millions objective is to be obtained.

Revenue Jumps

It is more than probable that expenditure on the war effort will gain momentum steadily from this point, and the prospect of the Dominion attaining its $700 millions goal appears good.

All sources of revenue, with the exception of "sundry," showed substantial gains, evidence that the accelerated pace of war activity is seeping into industry and indirectly into the Government coffers. Excise taxes, sales taxes, etc., showed a gain of $11.4 millions to $24 millions during August to lead the increases. Income tax showed a gain of $3.9 millions.

Expenditure on ordinary account, excluding national defense, increased $9.5 millions, while all other categories showed declines. The largest increase in ordinary account was in interest on public debt, which rose to $7.2 millions from $2.3 millions.

Every revenue source increased substantially during the five months period to Aug. 31. Greatest expansion was again in excise tax, sales tax, etc., which rose $33.2 millions to $88.4 millions. Income tax increased by $30 millions to $131.8 millions. Total revenue was up $95.1 millions to $328.9 millions.

Expenditure on ordinary account increased $5.2 millions during the five months period, while all other classes decreased with the exception of war and miscellaneous. Total expenditure was up $128.6 millions to $345.2 millions.

Following are comparative statements of the Dominion Treasury for August and the five months period to Aug. 31:

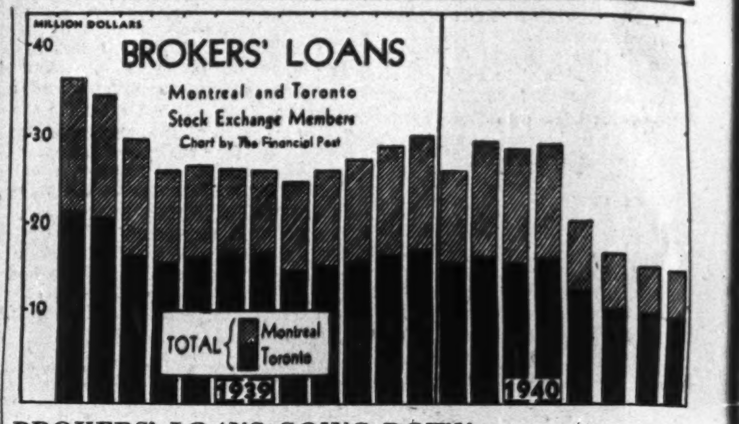
Revenue and Expenditure

August

Receipts:	1940	1939	Change
	000's of dollars		
Customs duties	10,247	7,190	+3,057
Excise duty ...	7,331	4,975	+2,356
Excise, sales tax	23,952	12,575	+11,377
Income tax	8,258	4,400	+3,858
Post office	2,401	2,400	+1
Sundry	1,904	1,977	—73
Total revenue ..	54,093	33,517	+20,576
Disbursements:			
Ordinary	28,033	18,497	+9,536
Capital	660	1,000	—340
Defense & war	59,374	3,512	+55,862
Relief grants, works, etc. ..	2,622	5,430	—2,807
Govt. enterprises	1,608	3,048	—1,440
Miscellaneous ..	1,911	463	—1,448
Total expend. ..	94,209	31,950	+62,259

Five Months Ended July 31

Receipts:	1940	1939	Change
	000's of dollars		
Customs duties	51,723	33,374	+18,349
Excise duty ...	35,648	22,999	+12,649
Excise, sales tax	88,364	55,193	+33,171
Income tax	131,849	101,966	+29,883
Post office	13,406	13,106	+300
Sundry	7,902	7,135	+767
Total revenue .	328,892	233,773	+95,119
Disbursements:			
Ordinary	149,055	143,855	+5,200
Capital	1,539	2,343	—804
Defense & war .	172,208	13,714	+158,494
Relief grants, works, etc. ..	7,328	14,484	—7,156
Govt. enterprises	12,939	41,740	—28,801
Miscellaneous .	2,152	462	+1,689
Total expend. ..	345,221	216,599	+128,622



BROKERS' LOANS GOING DOWN

Borrowings on collateral of members of the Montreal and Toronto Stock Exchanges are one of the best measures of the speculative interest in Canada. Thus the record low levels reached by these loans, as shown by the above chart, indicates both the activity in the stock markets and the extent to which liquidation of speculative accounts has taken place. Aggregate volume of loans is about half that of a year ago, which was down again from previous periods.

Sherwin-Williams Has Good Year

From Our Own Correspondent

MONTREAL. — Operating results of Sherwin-Williams Co. of Canada for the year ended Aug. 31 will compare favorably with the company's predepression earnings, The Financial Post is informed.

Earnings for the year have not yet been fully determined, as the effect of the "excess" profits tax has not been ascertained. Notwithstanding this tax, profit will compare with 1929 when net amounted to $772,144.

Sherwin-Williams is one of the organizations which might qualify as a "depressed" industry, as earnings in the four base years, 1936-39, inclusive, were considerably below what is considered normal operations for the business.

The company entered the new year with business at high levels and excellent promise for continued satisfactory operations.

Municipal Finances

Windsor is making an early start in preparation of the 1941 estimates, believing this will give better opportunity to slash estimates. Board of Control has voted in favor of strict civic economy in view of the war. Department heads have been instructed to have figures available by Sept. 30, and it is planned to notify each of them of the economy drive "so they won't go to a lot of trouble including items in estimates that will have to be removed," to quote a controller.

* * *

Sault Ste. Marie plans to continue its policy of the past eight years of paying for capital expenditures out of current revenues. The city's gross bonded indebtedness has been reduced by about $1.5 million since 1930, while no debentures have been issued for six years and none for capital expenditures since 1932.

During the past three years the city has closed the periods with no money owing to the banks. In the latter two years it did not need to borrow from the bank at any time. The city has been spending about $40,000 to $50,000 a year on capital work from current account without increasing its tax rate—in fact the figure is lower than in 1930.

* * *

Hamilton has instructed its welfare commissioner to prepare information with a view to reducing the staff of the city's relief department. Relief costs of $49,390 in July of this year are down $52,354 from the same month of 1939.

* * *

Rossland, B.C., has been advised by its fiscal agents, McDermid, Miller & McDermid Ltd., Vancouver, that approval has been obtained from 51% of the city's debenture holders for a refunding plan prepared by the company. The consent is necessary before special legislation can be sought in the B. C. Legislature to permit the reorganization. It is proposed to make a new issue of 20-year sinking fund debentures bearing interest of 4% per annum. Debentures now outstanding carry interest of 5% to 6%.

* * *

London's insurance reserve fund of the public utilities commission hydro department has reached $82,000. The fund was instituted 20 years ago and was built up from annual payments from the department's general funds.

Alta. Pacific Renews Offer

Would Purchase Assets of N. Bawlf Grain For $1 Million

From Our Own Correspondent

MONTREAL. — Offer of Alberta Pacific Grain Co. to buy the assets of N. Bawlf Grain Co. for $1 million and undertaking of all liabilities, except to Bawlf stockholders, has been renewed.

The original offer was made last April on the same basis. At a special meeting of stockholders in May, the Bawlf Co. was unable to furnish, in accordance with the offer, requisitions for title covering certain assets. Since that time Bawlf directors have taken steps to meet the condition.

Bawlf Grain stockholders will meet Oct. 25 to consider the second offer. Preferred stockholders only will be eligible to vote, since it is provided in the company's charter that when the preferred stock dividends are in arrears, the common voting privilege is eliminated.

One of the terms of the new offer is that Bawlf Grain Co. must recover mortgages and trust deed in the possession of Royal Trust Co. and secure the bonds.

Poor Earnings Prospect

Last April R. W. Milner, president of Bawlf Grain, told stockholders that a succession of several large crop years would be required to restore the company's working capital position to a satisfactory level. Indications at that time were that even during the fiscal year ended July 31, 1940, the company could not earn much more than half current dividend.

At the same time Alberta-Pacific stockholders were advised by H. E. Sellers, president, that improved working capital position, plus a special $500,000 loan, which had already been arranged, would provide for completion of the transaction and would also maintain the necessary capital for enlarged operations.

Investment Notes

Investment Foundation—Earnings of this company's preferred shares are now running at the rate of approximately $4 a share, according to R. M. Brown, secretary. Last year the company earned $4.10 a share on this preferred on which regular dividends are $3 a share. With the Oct. 15 payment the company will have completed paying off arrears which totalled $6.25 a share at Jan. 15, 1937.

* * *

Canada Cement's retirement of $3 millions of funded debt on Nov. 1 enhances considerably the position of stockholders. In the past four years the company has followed an aggressive policy of debt retirement. At Nov. 30, 1936, funded debt consisted of $16.5 millions in first mortgage bonds. By Nov. 30, 1939, this had been whittled to $13.5 millions and $645,000. In four years debt has been reduced $6 millions and the latest reduction leaves only $10.5 millions outstanding. Presumably mortgage on property will again be reduced this year. The long term outlook for stockholders is bettered to the extent of relief from debt service entailed in these retirement operations.

To know the full, rich pleasures of a pipe, smoke Piccadilly, a genuine "London Mixture" of the world's finest tobaccos blended to give that cool fragrance and nutty flavour insisted upon by sophisticated English clubmen. The more discriminating your taste, the more you will appreciate Piccadilly.

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Bond Markets

Overconfidence Blamed For Slow Response

Investors Also Feel Sluggish Movement of War Loan Indicates Need For Exacting Study By Ottawa of Organization For Future Loans

The slow response to the second war loan has not shaken the confidence of investors in the ability of Canadians to pay for their war.

A number of factors enter into the early sluggishness in the response. One of these is overconfidence, the general note sounded prior to the loan being, "There will be no trouble about putting it over the top." The small investor was given the impression his money was not needed and held back. As a result of the overconfidence, it is probable sufficient organization was not carried out.

There has been little opportunity yet for workers to accumulate savings from the increased incomes resulting from the stepped-up war effort. The nation's productive capacity has been under forced draft for only a few months—not long enough to make up for the drain from bank deposits resulting from the January war loan. Sufficient probably was not said about the arrangement to buy bonds on credit—thus on future savings.

Investors look to Ottawa to give much study to future war financing before appealing for another loan. Faint weakness is detected in the high-grade market as a result of the slow response, but investors in general feel the saturation point for new financing is by no means in sight.

* * *

Finding the Flaws

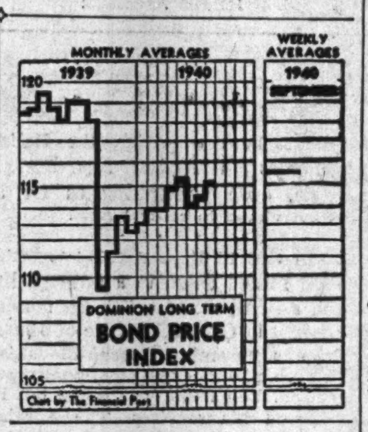
Flaws are being alleged in the organization—or lack of organization—which was developed for launching the second war loan.

Publicity got off on the wrong foot in being called upon to counteract the harm done by the general feeling the loan would be a complete and almost instant success.

Toward the end of last week the tempo of the publicity campaign directed toward the small investor had been speeded up, and a more urgent note was sounded. Hon. J. L. Ilsley, Minister of Finance, sent appeals all over Canada on Friday afternoon for volunteers to speak. Friday night every large theatre audience in the Dominion was addressed, and on Saturday night the number of speakers had been doubled.

However, it was too much to expect increased publicity to offset quickly what appears to have been a lack of sufficient organization.

* * *



A Way Found

American companies, prohibited by the U. S. Neutrality Act from purchasing Canadian war loan bonds, have been finding a way around the technicality. Large purchases have been made of other Dominion of Canada bonds, issued in peacetime, thus permitting the former holders to invest in the new war loan.

First company reported was Investors Syndicate of Minneapolis, which bought $240,000 3% bonds due in 1955. This company did the same thing at the time of the first war loan.

The Brotherhood of Railway Trainmen, Cleveland, bought $50,000 worth of Dominion 3¼% bonds, due 1966.

Canadian branches of American companies are not prevented by the Neutrality Act from making direct subscription to the loan and many have helped on a big scale.

* * *

Prepare, Not Wait

The entire wartime finance policy of the nation likely will come under exacting study before another war loan is launched. The lesson of the second loan no doubt will be remembered, and a less complacent attitude prevail.

It is no doubt true the national income will be increased somewhat by the time the next loan is launched. Wartime production will have been under forced draught for the full period between the second and third loans and depleted bank accounts will likely be replenished—new ones opened.

It cannot be overlooked that it likely will become progressively more difficult for Ottawa to raise money for war—not because of the lack of will, but rather due to the declining ability to pay. But in the meantime, figures of bank deposits indicate there is still a substantial reserve of funds to be drawn upon, so it becomes apparent that more far-reaching measures are needed to draw voluntarily from this reservoir just so long as it is available.

* * *

Good Response

Good response is reported by two more British countries to war savings certificates campaigns.

Newfoundland is issuing $3 certificates for $2.50, exempt from all present or future taxes. Term of the issue is six years.

First returns from the Union of South Africa's campaign listed purchases of £300,000 ($1.3 million). The Minister of Finance has urged that larger income from higher agricultural prices and the enhanced price of gold be diverted into investments proposed by the Government rather than spent for goods not absolutely necessary.

"Fairly well" is the description of the response to a number of popular funds. Included are the Mayor's National War Fund, the "Speed the Planes" Fund at Cape Town and Durban, and Port Elizabeth's fund to buy a destroyer for the Royal Navy.

Sale of Australian savings certificates previously has been announced at £1.2 million (about $4.1 millions).

* * *

N. Y. Accumulation

The recent speculative movement in Canadian securities at New York apparently has died out, but there has been a resumption of investment accumulation in these issues, according to Wall Street reports. The more substantial demand is for Canadian bonds, and not for common stocks, however high grade the latter may have been before the outbreak of war.

The recent upsurge in some of the Canadian shares was strictly of the trading variety, it appears. Trading movement discouraged temporarily the flow of investment money into the senior securities. Now that the market is more settled, however, new bids for better grade Canadian bonds have begun to appear again, and numerous enquiries are reported by New York.

While bonds, selling above par before the outbreak of war, are now in the lower seventies and upper sixties due to fears for the position of Canadian currency, a prominent New York financial daily assures its readers that "Students of the Canadian economy contend there is no justification for such a spread in these issues as against many American issues."

* * *

Trading at Trickle

In the face of the war loan, bond trading on Canadian markets dropped to a mere trickle. A tendency toward weakness was sensed in quotations on Dominion issues and this also was reflected in provincial bonds. The slow response to the war loan probably was the major depressing factor.

Corporation bonds failed to establish a trend. Fractional gains and losses were mixed.

* * *

Bond Index

The D.B.S. index of long-term Dominion of Canada bonds at 115.7 for week ending Sept. 12 was unchanged from the previous week. It was up 7 points from the same week of last year and up 0.7 from the corresponding week of the previous month.

DOMINION OF CANADA
Long-term Bond Index

	Latest week Sept. 6-12	Preceding week Aug. 30-Sept. 5	Weekly average year ago
Price	115.7	115.7	108.7
Yield	71.2	71.2	79.2

Mexican Light Not to Be Sold

Press reports that the Mexican Government is planning to purchase the properties of Mexican Light & Power Co. are described as "entirely incorrect" by a company official. The reports stated that light and power rates in Mexico City would be increased slightly to provide funds for the purchase.

In a statement to The Financial Post, R. H. Merry, secretary of the company, reports: "Negotiations for increased rates have been under way for some time and a new tariff has been announced. But the statement that the increases were for the purpose of purchasing Mexican Light & Power Co. is entirely incorrect. There is no talk whatever of taking over the company."

Honey Dew Will Pay Common Dividend

The second dividend on the common stock of Honey Dew, Ltd., will be a distribution of 50 cents to be paid October 31, to shareholders of record September 20. The initial payment was for a like amount and was paid July 2, last.

The present stock was created in the capital reorganization of May, 1939. Prior to the reorganization, no payments had been made on the old common stock.

Hermiston Light Sells Assets For $161,632

Approval of sale of properties of Hermiston Light & Power So. to Pacific Power & Light Co. is being sought from the Securities and Exchange Commission, Washington.

International Utilities Corp., Hermiston Light and Ralph Elsman, trustee, have filed a joint declaration for approval of the sale. The purchase by Pacific Power & Light would include all assets, except cash, and the price is set at about $161,632 cash.

Hermiston Light & Power Co. would be liquidated and dissolved.

Combine Case Appeal Coming

(Continued from page 81)

cision regarding the handling of this case may be reached in the near future. Those named by Mr. McGregor in the latter case are as follows:

Bathurst Power & Paper Co., Montreal.
Brompton Pulp & Paper Co., Montreal.
Gair Co., Canada, Toronto.
Hinde & Dauch Paper Co. of Canada, Toronto.
Messrs. Hardy & Badden, secretary-treasurer of Shipping Case Material Manufacturers Assoc., Toronto.

The companies found guilty by Mr. Justice Hope in the judgment given Sept. 6, have all appealed. They are:

Container Materials, Ltd., Montreal, Toronto.
Acme Paper Box Co.
Standard Paper Box Ltd., Montreal.
Martin-Hewitt Containers, Ltd., Peterboro.
Canadian Wirebound Boxes Ltd., Toronto.
The Corrugated Paper Box Co., Toronto.
Gair Co., Canada, Toronto.
Hinde & Dauch Paper Co. of Canada, Toronto.
Hygrade Corrugated Products, Ltd., London.
Hilton Bros., Ltd., Winnipeg.
Canadian Boxes, Ltd., Vancouver.
Maritime Paper Products, Ltd., Halifax.
Wilson Boxes, Ltd., Fairville, N.B.
Dominion Corrugated Paper Co., Toronto.
Shipping Containers, Ltd., Montreal.
G. W. Hendershot Corrugated Paper Co., Hamilton.
Kraft Containers Ltd., Hamilton.
Superior Box Co., Kitchener.
H. J. Badden, president and secretary-treasurer, Container Materials, Ltd.

Lawyers representing these companies take several grounds for questioning Justice Hope's findings.

Question Jurisdiction

They claim that the most important grounds for appeal is on the technical question of the jurisdiction of the Ontario Supreme Court to try companies which have no place of business in Ontario. In this position were seven of the convicted concerns. It is held that not only should these extra-provincial companies be exonerated but that the trial and conviction of the others should be thrown out on the grounds that the evidence against all companies was heard together.

It is also claimed by the defendants that the judge misconstrued the law on a number of points. In ruling that it was not necessary to prove actual intention to "break" the law, it is claimed, Justice Hope erred. It is claimed that he accepted evidence on a number of important points and refused to accept evidence on others without adequate reason.

Prices Not Unreasonable

Mr. Justice Hope ruled that it was not necessary to hear evidence whether or not the prices charged for the product were unreasonable. He claimed it was the manner, not the extent, of the price enforcement that counted.

The defendants assert it is necessary to prove that the prices which they maintained were unreasonable and that this was not done.

In other instances, it is claimed, Justice Hope ruled that statements in letters and documents were not of themselves proof of the facts in question. In other words, he held that these documents should be supported by oral evidence. But then, it is said, the judge goes on to find a good deal of the evidence on which he based his judgment on documents.

There are several other grounds on which the appeal is being based and it is probable that this case will be fought through to the highest courts.

International Trade In Securities Low

Volume of the trade in securities between Canada and other countries dropped to a new low level in July this year. Aggregate of both sales and purchases amounted to only $7.5 millions against $15.4 millions in June which had been the previous low month.

The balance of sales at $1.3 million was also smaller than in preceding months. Contracted volume was shown in each of the three main groups of securities, including Canadian bonds and stocks and United States stocks. In contrast to most previous months, Canadian bonds were repurchased while Canadian stocks were sold on balance.

Most of the trade continues to be with the United States although volume of sales in Canadian bonds was light. Small sales of Dominion bonds were more than offset by repurchases in each of the other groups of bonds. Net sales of Canadian stocks amounted to $400,000 and of U. S. stocks to $1 million.

Little U. K. Repatriation

Repatriation of Canadian securities from the United Kingdom also declined, amounting to only $100,000 in July this year.

Totals of the international trade in securities for first seven months of this year show that greater volume of trade was made up of Canadian securities. Net sales of this group, representing an import of capital, amounted to $8.5 millions out of a total net volume of $22.4 of net sales. While net sales of Canadian bonds and debentures came to $9.7 millions, there were repurchases of Canadian stocks to the extent of $1.3 million. Sales of U. S. stocks amounted to $13 millions on balance in the first seven months of 1940.

The principal capital inflow to Canada this year has been from the United States. Net sales to that country totalled $22.5 millions. Repurchases from the United Kingdom exceeded sales by about $1 million, while net sales to other countries were about $900,000.

Trend of the international trade in securities since the outbreak of war is shown by the table below. Operations of the Foreign Exchange Control Board have made export of capital from Canada impossible since last Sept. 16.

Canada's International Trade in Securities
In Millions of Dollars

	Sales	Purchases	Net Sales + Purch. —
1939	$	$	$
August	21.2	19.7	+1.5
September	28.5	33.5	—5.0
October	10.5	7.1	+3.4
November	16.8	10.9	+5.9
December	13.6	9.6	+4.0
Total, 1939	311.0	238.9	+72.1
1940			
January	15.8	10.4	+5.4
February	13.6	10.0	+3.6
March	14.9	11.3	+3.6
April	15.6	12.0	+3.6
May	18.3	16.0	+2.3
June	9.0	6.4	+2.6
July	4.4	3.1	+1.3
Total 7 mos.	91.6	69.2	+22.4

GEORGE H. BORIGHT — GEORGE W. DAY, C.L.U.

George H. Boright, Manager of the Peel and St. Catherine Streets branch in Montreal of the Manufacturers Life Insurance Company, announces the appointment of George W. Day, C.L.U., as Assistant Branch Manager. Mr. Day has had wide Life Insurance experience during his nearly twenty years of association with the Company and is eminently qualified for his new position. He has an impressive record both in the production and maintenance of business. He passed the final examinations for his Chartered Life Underwriter degree in 1937.

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69 WEST KING STREET
TORONTO

A Home that Savings Built

Savings are not just money . . . they are houses, farms, travel, enjoyment of life. Money is only the means to an end. The owner of this home used the facilities of the Canada Permanent to accumulate the money with which to build, and his savings paid for it over a period of time. Thousands are doing the same. Canada Permanent is ready to help you also to SAVE and BUILD. Its faith in the future of Canada has remained unswerving since 1855.

CANADA PERMANENT
Mortgage Corporation
Head Office, 320 Bay St., Toronto
ASSETS EXCEED $69,000,000

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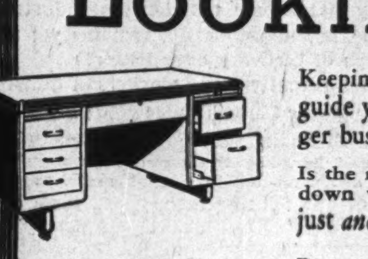

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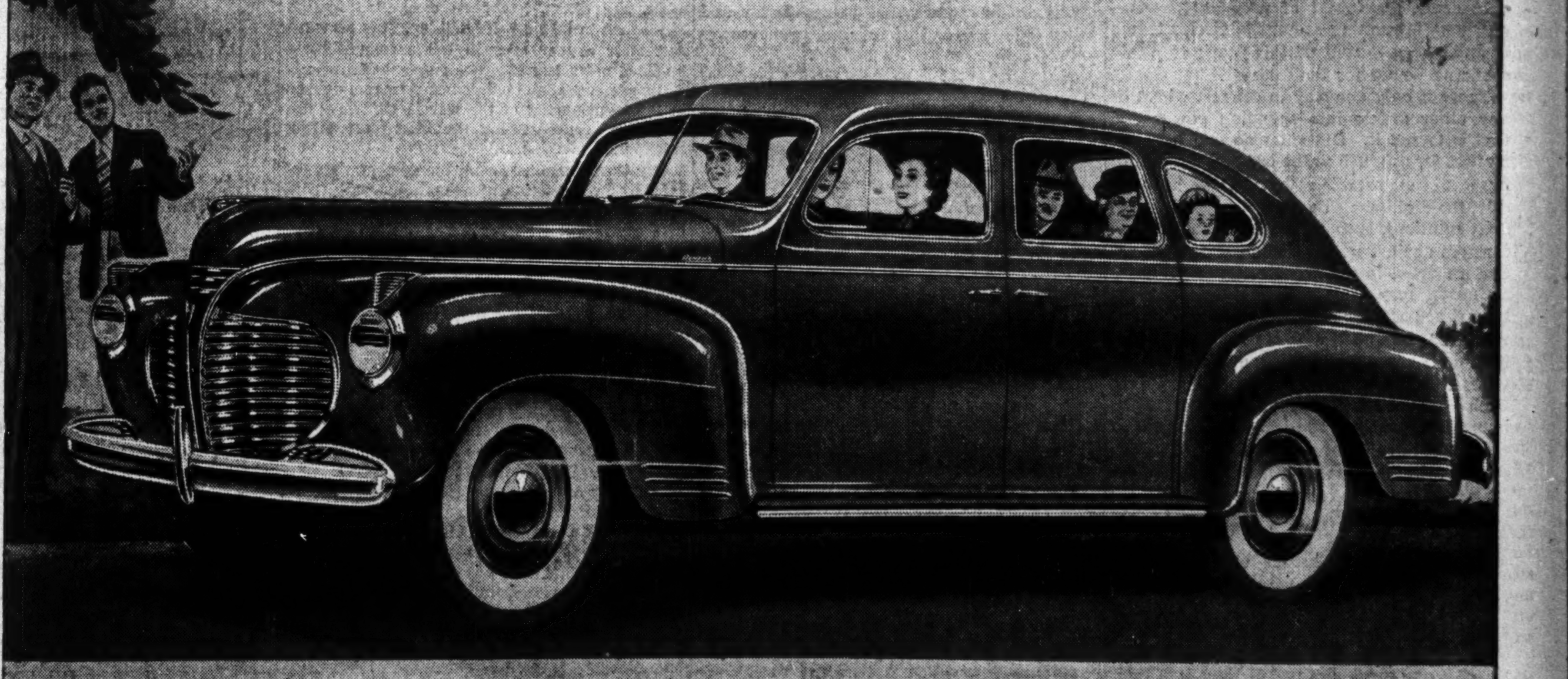

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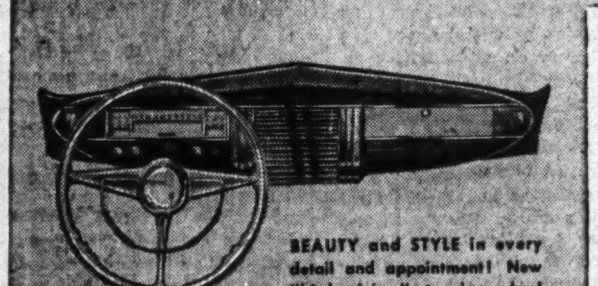

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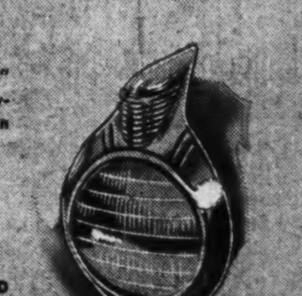

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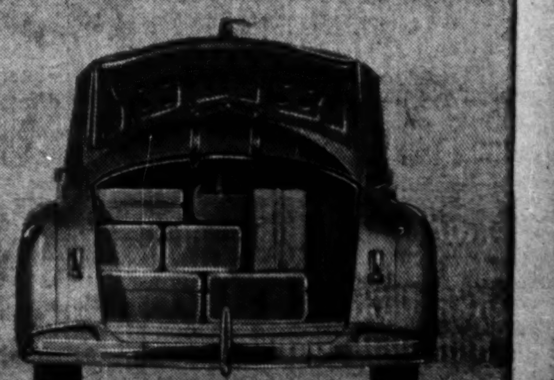

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Editor—FLOYD S. CHALMERS
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Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Avenue, Toronto 2.
Founder and Chairman—JOHN BAYNE MACLEAN
President—HORACE T. HUNTER
Vice-President and Managing Director—H. VICTOR TYRRELL

ADVERTISING RATES
Single insertion—$4.20 per inch.
Contract rates upon request.
SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
GREAT BRITAIN, London—Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1, Telegraphic Address, Atabek, Lesquare, London.

TORONTO, SEPTEMBER 21, 1940

The War-winning Workshops of Canada

In eighty pages devoted to the war-winning workshops of Canada, The Financial Post this week tells how an industrial revolution is being worked in order that Canada's economic might may be made to tip the scales to victory.

It is an arresting story, worthy of the telling. We have told it, we believe, with complete fairness and accuracy. No pretense is made that Canada is already producing all the sinews of war that have been blueprinted by the managers of Canada's War Supply. Some of the biggest things in the programme are not due to be produced until the spring of 1941; a few items not until the early months of 1942. Yet, in those fields where production is already in full swing, Canada is making a contribution to challenge the imagination.

We could have been farther ahead. Most of what Canada is doing today is the result of the last three or four months of frantic speed-up in planning and directing.

Up to last spring Canada's industrial war effort was, like that of Great Britain and France, easy-going and inadequate when compared with the realities of the demands that the outbreak of total war would impose upon the Allied nations.

That cannot be said today. Canadian industry is now organized for its share of the "all-out, national effort" that makes Canada the second strongest unit in the front line. (Who will deny that Britain, with her vast industrial areas and her mighty navy, remains yet the chief hope of recovery over Hitler?)

To those executives and workers of Canada who are making Canada's war effort a worthy one, The Financial Post pays tribute. They are indeed keeping the home fires burning with a devotion to duty that matches the loyalty of our fighting men.

Job for a Businessman

W. L. Clark, in the Windsor Daily Star, reports a conversation with an American businessman, who remarked:

"A general or an admiral may know all about what to do with airplanes and warships when he gets them in the air or on the sea. And, the general and admiral may know what kind of warplanes and warships are needed. But, when it comes to production, that is where businessmen have to take over from the military and naval authorities.

"Not many generals or admirals know much about the details of production. They are so hemmed in by red tape and seniority, they cannot cut through to achieve their purpose quickly. The businessman does not bother about these military and naval hedges, he goes right to the core of the production problem."

Canada has many able businessmen engaged in the job of war supply.

In business, responsibility is always concentrated in one executive. He in turn decentralizes that responsibility in a systematic way while maintaining complete and vigilant control. That is the way business gets jobs done. There should be, similarly, a "general manager" for war supply in Canada.

What to do About Wheat

As western Canada is smothered by too much of a good thing, as the rich harvest of wheat pours into the elevators like molten gold down the throat of poor old Crassus, everyone is running around in circles trying to find a way to convert this year's crop into spending power for the farmers.

There is only one way to convert wheat or any other article into spending power and that is to sell it. But since no one is in the market for as much as the 600 odd millions of bushels of exportable wheat that we have for sale, the discussions do not get beyond makeshift solutions, such as lending money to the farmers against wheat that may or may not find a market in the next couple of years.

Canada may rightly blame the dictators, in part at least, for our wheat headache. But we have to be candid with ourselves and admit that we have done nothing much in recent years to make the wheat problem any less. Each year we have sought to ameliorate the immediate problem by guaranteed prices or minimum advances or something else. Each year the Government has found some device for seeing the wheat grower through his more pressing troubles. But no government has yet looked as much as a year ahead to see where all this was leading us.

When we observe the fact that we planted two million bushels more wheat this year at a time when we were carrying a vast unsaleable surplus we have to admit that Herr Hitler, Comrade Stalin and Il Duce had their allies in Canada in making the wheat problem just a little more insoluble.

• • •

One reason that we have dealt with the problem from year to year, without facing the longer term facts, is that it is easier for the politicians to dispose of the problem that way, even if the taxpayer finds the burden increasingly insufferable. And no man can argue that there is a simple long-term solution that will be greeted with the loud huzzas of all interested parties.

One leader of Western farm opinion, who had better perhaps be nameless at the moment, walked into the office this week with a proposal that Canada declare a wheat holiday for one year; that no one be permitted to grow a bushel of wheat on the prairies in 1941 and that every wheat grower be paid $2 per acre for not growing wheat. "It would cost $54 millions," he said, "but it is going to cost us more than that to carry out this year's policy."

The New Deal's A. A. A. never got beyond plowing every third furrow under. Down in Brazil they burned up the coffee but first they grew it. To pay the western farmer $2 an acre for not growing food, in a world where people are starving to death, would reach a new peak in Planned Futility.

• • •

Yet is it not a fact that the average Canadian has yet to awaken to the fact that this country has a surplus wheat problem of such dimensions that such proposals can be made soberly and calmly by sensible people?

For years and years now we have been insuring the wheat grower that no matter how much wheat he grows the fatherly Dominion treasury would see that he got a minimum price for it. The natural corollary of such a policy is that we should have a long term plan for controlling acreage; for diverting wheat to purposes other than cereal foods; for diversifying western farming, where it can be diversified.

In such fields as those we have been less energetic. Some time we shall have to start thinking about a national wheat policy with a healing rather than a soporific effect.

Two Profit in Every Fair Deal

How can both the producer and the consumer be benefitted by the operations of the grain exchange? the Western Producer, organ of the wheat pools, wants to know.

The very question reflects a flair for soft deceit on the part of this western apostle of radicalism.

It is a stupid notion, sired by demagoguery out of ignorance, that if two people make a bargain or deal one or other of them is the gainer over the other. Two people cannot make a profit out of the same transaction, it is argued. The statement rings with all the apparent conviction of which only quite specious or sophistic remarks are capable.

Actually in 99 per cent of all the business transactions, of all trades, both buyer and seller are satisfied; each gets what he needs in exchange for something he can spare.

Any market place that brings buyer and seller together for their mutual profit serves both groups.

This is what every businessman knows. It is plain common sense. But the Western Producer prefers to dish out nonsense.

Too Much Paper

Apparently there are still plenty of officials in England who think that the war will be won by tying up bundles of paper in red tape and filing them away.

On a shipment of lumber, for instance, to England there must be invoices, certificates of origin, and details of specifications. For each of these, nine copies must be supplied. Other documents are also required, but two or three copies apiece suffice.

Lumber shipments are divided into quantities of so many British "standards." In effect, separate documents have to be prepared for approximately each 50,000 bd. ft. If a ship goes out with, say, 2 million bd. ft. of lumber the shippers will have to supply a minimum of 1,080 documents. Actually one shipment the other day called for 2,000 documents.

One set has to be sent by airmail. Postage on one such sheaf of documents costs up to $30.

No one knows what happens to all the documents. But one wonders if it does not cost almost as much to bill the British timber control for lumber as it costs to cut it in the woods.

No Sleeping on Home Front

Every time Canada lifts a ton of coal out of the ground it conserves precious American dollars, needed to win the war.

Some of the miners in Cape Breton do not seem to realize it. There have been 91 stoppages of work in the coal mines of Dominion Steel and Coal Corp. since February 1 last. The company and the union alike seem to be powerless to keep the men at work. The union has passed a resolution urging the men to stay on the job but it takes no disciplinary action against the saboteurs.

One of the major reason for recent strikes was refusal of some workers to go down in the mines with "foreigners." But as the stoppages were frequent even before Italy entered the war, this can be nothing more than an excuse for a bit of devil-may-care sabotage directed against the company.

Hon. Norman McLarty, Minister of Labor, took the bit into his teeth by going down and pleading with the men at a miners' convention.

It does not seem that mere pleading is of much use. A large group of these miners do not seem to care whether Canada wins the war or loses it. Their interruptions to work have cost Canada nearly 300,000 tons of coal since we entered the war. This has to be replaced from American sources.

Ottawa should not hesitate to declare coal mining an essential industry and to take steps to ensure production. A man who quits work in a vital industry when his country is at war, and when there is complete agreement between his company and the union, is either a saboteur or a completely irresponsible person.

Under the War Measures Act Ottawa has power to keep workmen on the job and it will have to use that power in emergency cases.

Editorials in Brief

The Vancouver Province catches the Chicago Tribune in a piece of falsification of the news from Britain. The Tribune's correspondent quoted "Minister of Aircraft Lord Beaverbrook's Evening Standard" as saying: "Hitler has had his victory. Let us admit it freely."

The Province checked up. It found that it was not the Evening Standard that had made the remark; but an occasional contributor to that paper who was arguing for more air raid shelters and fewer siren alarms. The sentences, taken out of their context, completely misrepresented the Standard's own policy and opinion.

• • •

Last week we asked: "Is it all right for Canadian newspapers to say things about American policies that public men must not say?"

The question was asked because the Windsor Star, on one and the same page, criticized Hon. Mr. Crerar for a comment on American opinion; and voiced its own criticism of Mr. Willkie for failing to understand American opinion.

The Windsor Star's reply to our question is "Yes." It adds:

"One of the functions of a newspaper is comment on anything that affects the community which it serves. In this case, the American affairs on which The Star commented had a definite bearing on the welfare of Canada and the Empire.

"But Mr. Crerar is a member of the Government of Canada. As such he cannot make public utterances of his own private opinions. What he says is and must be taken as an expression of the Government of which he forms a part, and it is decidedly out of order for the Government of this country to pass comment on matters of American policy."

The Financial Post entirely agrees. In a free democracy a newspaper must have freedom to say even what a government cannot say.

The Windsor Star, by the way, thinks The Post was criticizing it. When did a simple question, fairly put, constitute criticism?

• • •

Everyone is searching for the lessons of the "stickiness" of the war loan.

One very positive reason is "not enough hoopla."

There were parades, aerial demonstrations, meetings on city hall steps, etc., in connection with the loan. But they were on a small scale; and they were really the first we have had in this war.

Canada is trying to fight a war without martial music, without songs, and cheering and beacon fires. Regiments steal silently through the streets on route marches. One sees few flags. Public meetings with rousing oratory and singing are scarce. The cabinet members speak in formal tones—when they are forced to speak.

It takes noise, color and rhythm on the home front to win a war, to raise armies, to put over war charity campaigns, to sell bonds, to stir the blood of the people.

The R. C. A. F., we are glad to note, is going to have bands all over Canada. They will be as necessary as planes and machine guns.

The Canadian Editorial of the Week

Overwork at Ottawa

Vancouver Sun

Colonel Ralston, one of the keymen in Canada's war effort, has been compelled by his physicians to take a brief holiday. It is no wonder, after a year of such toil as would have knocked out a less vigorous man months ago.

His present fatigue points to a very real danger in the management of the war in Ottawa—the danger of concentrating the load on too few shoulders.

Our Government, like all the democratic governments, was not organized on a war basis. The ministers are still carrying not only the burden of the war but all their old department duties as well, and in many cases these are heavy. Mr. King has to accept the enormous responsibility of decision in war policy and also the work of managing the internal government of Canada. Mr. Lapointe has to sit at the war council at all hours and administer justice and law enforcement throughout the land. It is getting to be more than flesh and blood can bear.

Two solutions have been suggested. The Winnipeg Free Press proposes that Mr. King establish a war cabinet of three or four men, perhaps himself, Mr. Lapointe and Colonel Ralston, who would have nothing to do with the internal government of the country apart from the war. They would hand these normal peacetime duties over to other ministers and they would concentrate their entire attention on war policy, thus coordinating the war activities of all the farflung government departments.

The Financial Post suggests that the business of war supply might be placed under a general manager so that Mr. Howe, now struggling with management and with policy as well, might be freed to do his real job, which is in the field of policy.

Both suggestions have merit. Colonel Ralston's need for a holiday—which he would never take if he could possibly carry on without it—suggests that some such programme will have to be devised.

The war will probably be long. Men cannot stand the pace they are setting at Ottawa in a desperate attempt to overcome by sheer endurance our lack of preparation and organization for war. When keymen crack, it is not merely a personal tragedy; it is a blow to the nation. In these times, when so much hangs on day-to-day decisions by a few men, the removal of even one of them may slow up a whole department, a whole phase of our war effort.

Sayings of the Week . . .

"The front line runs through the factories."—*Winston Churchill.*

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"If the Nazis intend to terrorize us, they are wasting men, machines and high explosives."—*J. B. Priestley.*

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"The fury of an aroused Englishman is unlike anything else on earth."—*Malcolm W. Bingay, Editor, Detroit Free Press.*

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"If only Canada can make up her mind what she wants her future to be, there need be little doubt of her ability to achieve it."—*John McCormac.*

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"If ever I am tempted to indulge in a mental slump I immediately think of what Canada is doing and going to do." — *Herbert Morrison, British Ministry of Supply.*

• • •

"That strange paradox of poets and adventurers, merchants and crusaders, eccentrics and formalists, age and youth, heresy and orthodoxy, courage and mercy,—ENGLAND."—*Leonard W. Brockington, K.C.*

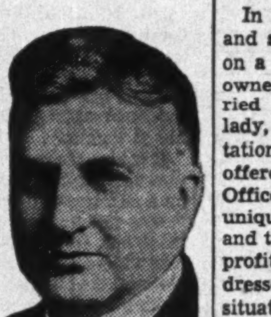
BUMP AHEAD!!

—Cartoon by Grassick.

Post-Scripts . . . . . .

Fifty-six Years

"Dean of the Canadian Implement Industry" is the title bestowed on Col. The Hon. Henry Cockshutt by the latest issue of the Cockshutt Plow Co.'s Monthly News Bulletin. The occasion is the celebration of the Colonel's 56th anniversary of continuous service with this firm.



HON. H. COCKSHUTT

Col. Cockshutt is the youngest son of the late Ignatius Cockshutt, who came to Brantford to open a general store for his father in 1827. The plow company was founded by James D. Cockshutt, eldest son of Ignatius, in 1877.

Col. Henry Cockshutt started work for the plow company in Sept., 1884, when in his early teens. His first job was cutting cordwood for the shop fire. Subsequently he advanced through various departments, becoming a salesman first and in 1888 was made secretary-treasurer of the company. When he was 25 years old he became managing director and later president. Col. Cockshutt retired from the presidency of Cockshutt Plow Co. about six years ago, retaining the office of chairman of the board.

His 56 years of unbroken connection with the company have seen it grow from a small establishment employing about a dozen men and distributing its products locally until it now has about 2,000 workers with plants spread over 50 acres and world-wide distribution of its output.

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Tracy Philipps

In Canada now, on a special mission, is one of the world's most colorful figures.

Captain Tracy Philipps has been delivering a series of addresses throughout Canada under the sponsorship of the British Council, a body organized to elucidate the British case abroad. Philipps is a versatile and far-travelled servant of the Empire whose career would have delighted the heart of Rudyard Kipling. A large part of it has been spent in duties involving adventurous wanderings in remote regions of this planet.

He comes of an ancient Welsh family. After finishing his education, he joined the British Colonial Service and was serving as an assistant-Commissioner in a district bordering on the German colony of East Africa when the last war broke out. He volunteered for military duty and served with the expeditionary force from India which made the first attack on the German colony. Later he became political officer to the Bukoba Expeditionary Force and in 1916 was appointed to the staff of General Smuts as chief intelligence and political officer. In this role his services won him the Military Cross, but they also impaired his health and he was sent home in 1917 to be employed in staff and intelligence duties by the War Office on the Austro-Italian front.

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Next he contrived to become attached to the Arab Bureau at Cairo, which was one of Lawrence of Arabia's bases of operations. He was present at the capture of Jerusalem. After the war he was employed for a time in the reorganization of the British regime in equatorial Africa and in the course of a journey from the east to the west coast of Africa discovered a new animal, an otter without claws. But he was summoned home to serve as British Relief Commissioner in the Mission headed by Dr. Nansen, which was trying to remedy desperate conditions of famine in the Ukraine and adjacent regions. In 1922 he served as liaison officer with the French and Greek forces in European Turkey and after a further spell of duty in Khartoum and Cairo he served the Times (London) as war correspondent in the Greco-Turkish War. Subsequently he was employed by the British Foreign office on special secret service duties in the course of which he travelled extensively in the Balkan countries, the Italian colonies in Africa, Near-Eastern Asia, even penetrating as far as Samavkand in central Asia.

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In 1933 Philipps decided to retire and settled down to a farmer's life on a small estate which his mother owned in Oxfordshire. He also married a charming Czecho-Slovakian lady, a pianist of international reputation. When this war broke out he offered his services. The Foreign Office decided that, owing to his unique knowledge of the Balkans and the Near East, he could be most profitably employed delivering addresses in North America upon the situation in this region and possible developments in it which might affect the fortunes of the war.

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Philipps has already toured the western provinces and spent considerable time among the Ukrainian and other foreign-born communities, explaining to them the British case with great success. He has also addressed a number of Canadian Clubs. As he speaks with really expert knowledge and in very interesting fashion upon his special subjects he has always had large and attentive audiences. A report in the "Vancouver Province" describing an address on "Turkey and the Balkans" which he gave to the local Women's Canadian Club says that it was listened to "with breathless interest."

As a linguist he is in a class by himself. He speaks fluently most of the chief European languages and in addition has command of no fewer than 13 African languages.

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Up from the Ranks

One thing that friends of Major-General George R. Pearkes, V.C., will tell you is that he will never ask his men to do anything he is not prepared to do himself.

G. R. PEARKES

That leaves virtually no limit, for the scope of General Pearkes's fighting record includes not only the V.C., but also the D.S.O. and M.C., innumerable wounds and, since the last war, staff posts in Canada's permanent forces.

General Pearkes is commanding officer of the First Canadian Division, now in England, serving under Lieut.-General A. G. L. McNaughton, commander of an Anglo-Canadian corps, whom he succeeded in Canada's key overseas divisional command. He was district officer commanding at Calgary when the present war broke out. He went overseas with the First Division and not long ago he was reported dangerously ill. Back on the job he has taken the divisional command with his old vigor and ability.

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General Pearkes acquired sympathetic understanding of the viewpoint of the man in the ranks by being one. This is a prime factor in the good commander. Born in England he came to Canada at 18, having already served in a Territorial regiment. He joined the North West Mounted Police.

Training for the force at Regina he was schooled in the art for which that force is famous, the knack of inconspicuous authority. He was a policeman in the Yukon in 1914 and he bought his discharge to enlist in the Canadian army. Joining the Canadian Mounted Rifles at Vancouver he became a lance corporal before going overseas. He won his first commission in the field.

• • •

Coolness and daring were the quality that marked Pearkes in France. For conspicuous gallantry he won the Military Cross, the official citation reading:

"He led a bombing party with great courage and determination, clearing 600 yards of trench and capturing 18 prisoners. Later, although wounded, he remained on duty till the battalion was relieved."

The job for which he won both the Distinguished Service Order and the French Croix de Guerre, was described officially:

"The men were becoming exhausted, observing which he at once went into the attack himself, and by his splendid and fearless example put new life into the whole attack, which went forward with a rush and captured 16 guns of all calibres up to eight inches."

He held the rank of temporary captain when he won the Victoria Cross. The citation said:

"For the most conspicuous bravery and skilful handling of the troops under his command during the capture and consolidation of considerably more than the objective allotted to him in an attack."

• • •

The clue to the character of General Pearkes, his friends say, is found in the phrase, "the capture and consolidation of considerably more than the objective allotted to him."

Canada can count on its First Division Commander for more than the allotment.

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Linguist

It was not difficult for James S. Duncan, deputy minister for air, to give a portion of his Quebec speech in the French tongue. Mr. Duncan was born in France. French was the language he first learned to speak.

But Mr. Duncan's linguistic abilities are not confined to English and French. He speaks German and Spanish "like a native" and can converse without difficulty in Portuguese and Italian.

Such are the results that accrue when a son is born in Paris to a Scottish family representing a Canadian company; when the son in time works for the company in Canada, Germany, and South America; when he marries a Spanish-speaking wife.

Other People's Views . . . .

800,000 Unemployed

The Spectator, London.

The latest unemployment figures are puzzling, not to say disquieting. At a time when every person's effort is needed there remain about 800,000 unemployed, including over 300,000 women. Indeed, even after deducting a category which would weight the comparison unfairly, there still are more women unemployed today than there were a year ago. However high one puts one's allowance for the necessary margin of unemployment corresponding to the fluidity of industry, it cannot surely be put as high as that. Nor do the figures seem explicable on the "hard core" theory; for in fact the Ministry of Labor has had considerable success in reducing the number of those who have been unemployed for long periods. The Ministry is now actively enquiring into the facts behind its figures, and may drag some to light. Part of the cause may be that under present conditions spells of unemployment offer a definite attraction to a good many people.

In the Mail . . .

Keeping Workers at Work

Editor, The Financial Post:

I have read with interest your articles in the last two issues about exemptions in military training for employees in special industries affected by war work.

It is quite likely that your intention is all right, but it seems to be a very weak argument for the time being, as the first class to be called are single men 21 years old and you surely are not trying to tell the people of Canada that any person at the age of 21 years has become so important that he cannot be spared for a month to help protect his own country. It is rather a strange argument when these same boys and ourselves can be spared for the same period for a summer holiday. When it comes into the later categories, it is quite possible that the Government will see that the important men are left on the job, but for all that is human, try and be a little bit sensible with your arguments.

I notice you do not say anything about a lot of young men who have been given jobs in these key industries by a lot of parents who have specific pull, so that these same young men will be quite safe for the duration of the war. As this happened in the last war, there is no reason to expect that it will be any different this time. Why not tell every side of the story? Personally, I think that this is the fairest thing that has ever been done in a democratic country and will still believe it until they start taking those who have had a number of years of training and cannot be replaced, and, if they do have to train for a month, they will be the better for it when they come back to their job.

Surely you cannot be serious in your present statements.

L. I. Hall,
Toronto.

Editor's Note: Canadian industrialists, looking ahead to interruptions in war output from the training of men—not just men of 21 but all the classes who are to be included—were never more serious about anything than they are about the need for keeping war-workers on the job.

As Others See Us . . .

Labor Bottleneck Threatened

Montreal Gazette

Six weeks hence 30,000 young Canadians will be in military training camp, 30,000 more preparing to go as soon as the first group has ended its 30-day period. This is all to the good. There is, however, one point to which insufficient attention has been paid—what about Canada's supply of skilled labor, when the training programme hits its full stride?

The Financial Post points out in its current issue that the Government is shortsighted in this matter. Last July, The Post recalls, a National Labor Supply Council was set up to study Canada's labor resources, and it proceeded to do so with thoroughness. But, says The Post, the committee is now complaining that the Government paid no attention to its findings, and in fact passed the no-exemption draft law without even consulting the Labor Supply Council. Meanwhile, industrial expansion goes on at a gratifying rate. But as it expands, nearer and nearer looms what The Post calls "a major and perhaps disastrous shortage of manpower, unless some very drastic measures are taken."

Using Business Ability

New Glasgow Daily News

This week's Financial Post carries an editorial in which it states some arrangement should be made whereby businessmen would be enabled to become cabinet ministers without having to be politicians. This would be a partial adoption of the American system, where the elected President picks his administration, corresponding to our Cabinet, from men outside of Congress.

We beg to differ with The Post. The British system of government has proved more democratic than that of the United States. It is more efficient, more representative of the public and considered better even by American political economists. Businessmen must become politicians if they are to become cabinet ministers for more than an emergency. It is that way in the United States. But in time of emergency, when the need is great and when results count more than votes, when departmental red tape must be abolished, the organizing powers of top businessmen can be used to great advantage without making them politicians. The British system allows for this.

Stop Me If . . . .

"Is it true that this store sells everything from a package of pins to an airplane?"

"Quite true, madam."

"Well, a package of pins, please."

Those "Good Old Days" . . .

Sanitary Engineer, Plumber and Steamfitter

The Good Book has something to say of old men who dream dreams, which is a very beautiful thought. We are reminded of it in this week's Financial Post by J. C. Kirkwood, who conducts a column called "Keeping Posted."

Mr. Kirkwood comments on Sanitary Engineer's recent article: "Modernizing the Little Red Schoolhouse." If you remember, the article dealt with up-to-date plumbing and pictured it as a blessing to school children.

"I read the article," says Mr. Kirkwood, "perhaps approvingly, yet with nostalgia."

The inclusion of "perhaps" indicates that modern plumbing has not been successful in commanding Mr. Kirkwood's most complete approval.

Mr. Kirkwood's doubts about modern schoolhouse plumbing are not of serious import, however. If he were disposed to crusade for a return to the primitive, which to him seems beautiful through the fog of years, he might have a little difficulty selling the children on the idea. Or, in fact, selling the taxpayers.

The really shocking thing about Mr. Kirkwood's comment is in his concluding sentence: "I am wondering if modern schools, with all their amenities and smartness, contribute as much to character and to happy memories as did the plain and simple schoolhouses of our grandfathers' days."

Probably he means, "The plain and simple school houses of my day."

We feel like reminding Mr. Kirkwood and all others of every age or sex who have their dark suspicions of youth, that the lads look mighty nice in their uniforms. They behave quite commendably at the controls of bombers and pursuit ships, on the bridges of destroyers, in the gun-pits and on the march. That they find themselves in these positions at all is no compliment to their elders.

It is too bad we cannot seem to learn the lesson, as old as time itself, that while youth does not know everything, old age has no monopoly on character. The reasonable way for old people and youth to get along together and help society's best interests would be to pool their resources. This would call for an end to the smug sniping to which young people are continually subjected.

The old men dream dreams, according to the Book. But the real payoff is coupled, bringing swift hope: "The young men shall see visions."

All right, Mr. Kirkwood. You live with your memories. We'll take the modern plumbing—and the modern youth!

Week in Business

Canadian Industry Expands Further

Construction of New Munitions Plants Points to Speeding Up of Operations — Western Outlook Seems Brighter

Canadian industry continues to expand under the pressure of war orders. Survey of the new plants being erected, however, indicates that the full effect of the war business has not yet been felt by a substantial margin. When these new plants and additions to old ones come into operation much larger supplies of raw materials and labor will be required.

Meanwhile, the army training plan continues to be a cause of much speculation and a source of worry in many quarters. The rising tempo of industrial operations means that the efforts of every skilled workman will be required. Consequently the question of exemption for certain classes of workers continues the centre of much attention in industrial circles.

* * *

Business generally continues active. Fears of increasing prices have in many cases led to active consumer buying of various articles of clothing. Sales when advertised generally meet with a good response.

Despite the problem of moving and storing the new wheat crop, business reports from western Canada on the whole are satisfactory. It is pointed out in this connection that the income of the western farmer is likely to be substantial this year apart from wheat. Income from bacon and hogs, for instance, is likely to be important, as also is that from coarse grains, dairy produce, etc. Estimates in this connection run as high as $200 millions. Result is that the wheat problem, while still regarded as highly important in western business circles, does not darken the general outlook quite as much as it otherwise would.

* * *

In eastern Canada, however, considerable difficulty has been encountered by farmers in getting their grain threshed owing to wet weather. In recent years many Ontario farmers have adopted the western system of threshing their grain in the field rather than storing it in the barn and threshing at leisure. This year with heavy rains over large parts of the country, grain left in the fields has been ruined, with resulting loss to the farmer.

One result of the delayed grain movement in the West is a decline in railway carloadings. Carloadings for the first week of September were down 8% for all Canada from a year ago. The decline of 60% in loadings of grain and grain products more than offset gains in almost every other department. An increase in loadings of miscellaneous merchandise, however, indicated a continued demand for other products.

Business Indicators

Current business holding steady at level of current weeks, though D. B. S. index of business activity pulled slightly below level of previous week and below last year by declines in carloadings, bank clearings and stock market transactions.

Carloadings for week ended Sept. 7 down 8% from year ago. Total for year to date up 15%.

Railway earnings for first week of September show gain for C. N. R. and decline for C. P. R. Cumulatives for year up 31% and 22% respectively.

Automotive production shows gain of 50% in August in passenger cars. Output of trucks, etc., about five times greater than in 1939. Totals for year 2% and 105% higher respectively.

Newsprint production in August a third higher than a year ago. Total for seven months 27% above last year.

Export trade in August 45% above 1939. Total for year up 36%.

Trend of business shown by The Financial Post Business Index and following **key factors**, new items for the week being marked thus ▪.

TREND OF BUSINESS—	Sept. 7	Aug. 31	Aug. 24	Aug. 17	Sept. 9/39
Weekly index of business, D.B.S.	103.9	104.3	104.1	104.4	107.7
Commodity prices index no. ...	82.8	82.7	82.6	82.5	75.9
	July	June	May	Apr.	Year Ago
The Financial Post business index	*139.5	141.7	136.2	133.5	119.8
Retail sales index no.	89.5	91.8	89.3	86.3	81.1
Dept. store sales index no.	87.2	81.0	82.8	84.7	77.3
Wholesale sales index no.	105.2	117.6	127.1	107.3	96.3
Country store (% change pr. yr.)	+6.2	+8.3	+8.5	+6.8	—6.2
EMPLOYMENT Index Nos., D.B.S.	Aug. 1	July 1	June 1	May 1	Year Ago
All industries	127.9	124.7	120.9	114.3	117.5
Manufacturing	134.4	130.3	129.2	125.7	112.8
Wage earners, no. 000's	....	....	2,568	2,489	2,385
Living costs weekly budget	....	$17.84	$17.72	$17.85	$16.93
			Jan. 1 to date		%
RAILWAYS—	1940	1939	1940	1939	Change
▪Carloadings (week Sept. 7)	55,361	60,572	1,858.802	1,618,665	+14.8
▪C.N.R. gross (week Sept. 7) $	4,696,182	4,165,511	161,992,953	123,766,145	+30.9
▪C.P.R. gross (week Sept. 7) $	3.530,000	4,007,000	109,732,000	90,126,000	+21.7
C.N.R. net revenue (July) $	4.172,586	214,927	20,372,668	•290,490	....
C.P.R. net revenue (July) $	2,404,830	626,160	15,040,837	5,977,503	+151.5
IRON AND STEEL—July—					
Pig iron production (tons)	95,924	59,587	645,551	356,108	+81.2
Steel ingots and castings prod. .... (tons)	169,577	111,149	1,127,823	691,290	+63.1
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (July)	4,567	5,826	74,189	60.335	+23.0
▪Factory output .. (Aug.)	1,510	1,068	77,193	76,148	+1.3
Trucks and Buses:					
Domestic sales* .. (July)	2,282	2,057	19,460	15,531	+25.3
▪Factory output .. (Aug.)	12,483	2,407	62,180	30,217	+105.5
Financing:					
Used .... (July) $	4.460,866	3,702,965	25.914,239	21,933,193	+18.2
New .... (July) $	2,290,959	2,405,739	22,098,186	18,023,655	+22.6
CONSTRUCTION—					
Contracts awarded . (Aug.) $	40,747,000	25,827,200	195,489,000	131,402.800	+48.9
▪Cement prod., bbls. (June)	928,636	727,504	2,727,804	1,994,691	+36.7
AGRICULTURE—					
Flour prod. bbls. .. (July)	1,222,975	1,105,502	8.790,547	7,927,853	+10.8
Flour exp., bbls. .. (July)	313,864	403,377	4,065,870	2,626,675	+54.7
Wheat exp., bush. .. (June	13.570,107	14,637,016	67,702,282	51,313,467	+31.9
Cattle sales▲ ...... (Aug.)	116,817	105,120	673,011	643,058	+4.6
Hog sales▲ .... (Aug.)	327,997	293,572	3,023,633	2,084,932	+45.0
SEA FISHERIES—‡					
Catch, cwts. .... (July)	1,297,700	1,267,000	6,038,350	5,140,750	+17.4
Landed value ...... (July) $	3,218,700	2,856,800	9,509,300	8,910,650	+6.7
NEWSPRINT—					
▪Production, tons ... (Aug.)	316,607	236,975	2,291,283	1,805,669	+26.8
Exports, tons ..... (July)	318,841	200,173	1,823,983	1,415,290	+28.8
MINING AND OILS—					
Coal prod., tons .. (July)	1.227,967	1,093,542	9,455,368	7,909,811	+19.5
Coal imports, tons . (July)	2,398,461	1,590,973	9,125,592	5,456,919	+67.2
Gold prod., fine oz. (June)	451,277	436,538	2,572,042	2,489,969	+3.3
Crude oil prod., bbl. (June)	657,098	821,308	3.681,029	3,371,238	+9.2
Crude oil imp., bbl. (May)	4,864,457	3,643.726	11,238,400	9,753,800	+15.2
ELECTRIC POWER OUTPUT—(July)—					
Total monthly. 1,000 kw.h.'s	2,615,232	2,205,844	17,583.735	15,950,096	+10.2
FOREIGN TRADE—♦					
Imports .... (July)	89,496,233	57,980,050	585,597,018	379,059,369	+54.5
▪Exports .... (Aug.)	111,359,571	76,475,742	766.533,773	561,583,507	+36.5
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (July)	243,617	185,096	1,229,922	1,114,950	+10.3
Shoes, prod., pr. .. (July)	1,861,028	1,833,993	14,586,969	13.083,764	+11.4
Cotton consump. lb. (July)	15,131,408	10,188,533	111,731.232	62,517,549	+78.7
Raw rubber imp., lb. (July)	11,400,868	5,568,367	52,035,287	36,196,076	+43.8
Cigarette cons. No.† (July)	648,304	677,112	4,244,892	3,970,324	+9.4
Sugar manufactured .. lb.§	65,603,276	101,582.123	549,006,346	489,370,866	+12.1
FINANCE—					
Bank debits† ...... (July) $	2,622,547	2,376,528	19,624,237	17,509,832	+12.0
Bond sales† .... (July) $	118,842	72,867	1,258,060	872,437	+44.2
Life insurance sales (July) $	28,159,000	29,902,000	216,527,000	208,287,000	+3.9

*D.B.S. All Canada figure covering over 90% of the Canadian total.
†000's omitted. §For four weeks to Aug. 10, 1940. ♦Gold excluded.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Final.
▲Total at yards and plants. •Deficit.
New items for week marked ▪

SKF
BALL & ROLLER BEARINGS
ALL TYPES - ALL SIZES

Ontario Hydro Load Up 14%

Primary Load Continues to Gain Faster Than Secondary

A larger jump in primary power load than has been prevailing in recent months was shown by the report of the Hydro-Electric Power Commission of Ontario for August in the important Niagara system. Peak load in this industrial section was up 15% from a year ago for primary load alone and 9.9% for the combined primary and secondary loads.

All sections of the province's system showed increases in primary Power loads last month. The northern Ontario properties were up 15.3 followed by Niagara and eastern Ontario with 11.2%.

When the combined primary and secondary loads were considered, eastern Ontario showed a decrease of 10.5% and Thunder Bay one of 24.6%. For the whole combined system the peak is up 4.6%.

System:	Max. 20-Min. Peak H.P. —August— 1940	1939	Incr. %
Primary Loads:			
Niagara	1,126,408	979,893	+15.0
Eastern Ont. ..	141,732	127,401	+11.2
Georgian Bay .	39,697	38,757	+2.4
Thunder Bay .	94,169	85,858	+9.7
Northern Ont. .	193,962	168,283	+15.3
Total	1,595,968	1,400,192	+14.0
Primary and Secondary Loads:			
Niagara	1,390,617	1,265,550	+9.9
Eastern Ont. ..	142.194	158,956	—10.5
Georgian Bay .	40,099	38,757	+3.5
Thunder Bay ..	94,169	124,920	—24.6
Northern Ont. .	220,101	215,870	+2.0
Total	1,887,180	1,804,053	+4.6

Nat. Breweries Sales Hold Up

But Higher Taxation is Expected to Contract Profits This Year

From Our Own Correspondent

MONTREAL.—Sales of National Breweries Ltd. in the current year are expected to be as favorable as or better than those of 1939.

Retail dealers in Quebec province raised the price of beer 5 cents a quart early in the summer, but the company's sales have not been affected to any great extent. To the contrary they have showed improvement in the latter part of the summer.

Earnings of the organization for the whole year, however, probably will show a reduction from the $2.25 earned on the common stock in 1939 because of the higher taxation. Full effects of the malt tax levy enacted last fall will be felt this year, as well as the increased taxation on corporations, plus higher provincial imposts.

Operating efficiency has been increased, and it is expected that net earnings will be closely comparable to those of last year.

The It Company Reduces Shares Outstanding

Supplementary letters patent have been granted to the It Company, Ltd., dated Aug. 30, 1940, decreasing the capital of the company by cancelling 20,000 unissued preference shares and 99,996 unissued common shares. A pro rata cancellation of the 300,004 issued common shares has also been carried out. The remaining 20,000 $5 par preference shares are being consolidated into 10,000 preference shares of $10 par.

Keeping Posted . . .

By J. C. KIRKWOOD

"A motor car is built! It was not a mere assembly operation by some Canadian manufacturer. A whole multitude of industries produced the raw materials, turned them into finished parts, assembled these finished parts into major units which took their places on the car assembly line. And so a car was built, spreading employment throughout Canada, creating a national payroll comparable to no other mass industry. Some 5,000 or more individual parts were used, most of which are produced by over 250 independent Canadian manufacturers. Almost half the industrial employees in the vicinity of St. Catharines, Ont., are engaged in the making of automotive parts."

This quotation is from an advertisement of Thompson Products in the current issue of Canadian Automotive Trade, a St. Catharines industry which supplies the automotive, aircraft and mining industries of Canada, and which employs 300 Canadians.

JOHN C. KIRKWOOD

Advertisements in trade and technical newspapers make gripping reading. For instance, this Thompson advertisement shows an illustration of a man using an acetylene torch in an operation by which valve tips are heated, instantly cooled and thus hardened to stand almost endless punishment in automobile engines; an illustration of the Thompson Trophy, open for international competition, and the premier award raced for annually over a closed course at the National Air Races; an illustration of skilled workers in the Thompson plant who has "a love of steel in his eye—an eye that winces at false work, loves the true."

* * *

Tulip Enterprise

Few of us know our Canada as fully as we ought. I feel safe in saying that few of us know that British Columbia has become a very large exporter of tulip bulbs—a rival of Holland when Holland was able to send tulip bulbs overseas.

Thus in 1939—so states Canadian Homes and Gardens for September—well over four million Darwin tulips, and over 11 million Narcissi bulbs were produced for sale in Vancouver Island and on the mainland of British Columbia. British Columbia is able to produce 25% of eastern Canada's normal autumn buying requirements. "With supplies from across the Atlantic drastically reduced," says the editor of Canadian Homes and Gardens, "and with the cheap imports from Japan under a cloud of suspicion concerning the dread botrytis disease, Canadian gardeners have a chance to lend their practical patronage to a worthy domestic industry."

* * *

Painting Shells

In 1939—so says Canadian Paint and Varnish Magazine—four new plants began the manufacture of paints, pigments and varnishes, bringing the total in Canada to 91 plants and production to a new high record of over $25 millions.

Paint or its equivalent has a variety of uses. The interiors of shells, large and small, are protected by baked coats of varnish. Take a Tiger Moth airplane. It receives two clear coats of sizer or filler, one coat of silver or aluminum, two coats of R.C.A.F. yellow and one sprayed application of clearcoat—a mixture of clear "dope" and yellow, for sheen. All the metal parts are sprayed with a protective coat of varnish.

* * *

Fashion is an Orphan

Fashion is an orphan. Stylists think that Canada and England will act as foster parents. So says Stylewear Review for September, and it goes on to ask, "Who now will create styles for milady? London? New York? Hollywood? Montreal?"

Fashion is more than an orphan. She is a homeless, wandering refugee. If she comes to Canada, it will be to Montreal rather than to Toronto. Yet New York is wooing her—alluringly. She's a guest worth having.

* * *

Buying on Impulse

How do these reactions fit in with yours. They are findings on "impulse buying" made by E. I. duPont de Nemours & Co., great industrial firm making a wide variety of chemical products, including modern textiles.

The survey asked these three questions:

1. Did you buy anything you had not planned? 62.3% said "yes."

2. What percentage of total purchases was made on impulse? The answer was 42.17%.

3. What influenced you to make these additional purchases? The answer was: Display, 75.1%; Reminder, 20%; Price 11.8%.

The findings disclosed that six out of ten persons buy on impulse; that four out of ten items bought are "impulse" items; that three out of four persons gave as their reason for making an additional purchase: "I saw it—it was on display."

Here is instruction for all retailers.

* * *

188 Years Old

M. B. McCausland becomes rhapsodical in his contribution to Canadian Printer and Publisher. Thus, in his article, "Printing, Yesterday and Today," he says: "What is the industry today that travels without printing? I doubt if you can name one. What would steamships, railways, coach or air lines be without tickets and time tables? How quickly has the motor trade grown! Or another newcomer—the movie? And don't think radio, too, is not a user of printing, in one form or other. So, from the beginnings of 500 years ago, and from the one Canadian printer who started in business in Halifax 188 years ago, has grown up an industry in Canada having a capital investment of $118 millions, the gross value of whose products is $117 millions, thus making it rank among Canada's foremost industrial efforts."

Dosco to Show Rise in Revenue

Steel Operations at Capacity in Current Year — Plant Increased

From Our Own Correspondent

MONTREAL.—Gross revenue of Dominion Steel & Coal Corp. will show substantial improvement in the current year.

Net earnings will depend upon the effect of new taxation and write-offs that may be made and also upon higher cost of labor and materials. Even taking into consideration these factors net profit in 1940 is expected to be better than in 1939 when it was the best in the company's history. Net profit in that year amounted to $1.3 million, which was $93,422 greater than in 1938. Net profit in 1939 was equal to $1.28 a share on the class B stock.

Operations of the Sydney steel plant are continuing at capacity. Output of secondary in other plants will also set a new record this year.

Indicating the sharp upturn in production in the Canadian steel industry is a gain of 71% of steel output by Canadian plants in the first seven months of the year.

Capacity Raised

Dosco plant facilities have been increased by the remodelling of the open hearth equipment and completion early in 1940 of two additional blast furnaces of 100 tons capacity each. Steel ingot capacity was stepped up from 425,000 tons to 580,000 tons annually. These new facilities, operating at high levels, have contributed to the gain shown by the steel industry.

The company's steel output except domestic requirements goes to Britain. Other phases of the company's activities, including the bridge company plant, wire, nail and other divisions will also show substantially improved output for the year. Greater requirements for steel products for railroads and plant construction and equipment have made demands upon the company's production.

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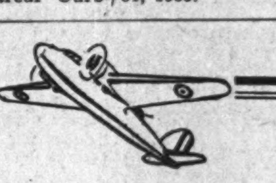
Montreal Winnipeg Vancouver Victoria New York London, Eng.

CONS. DIV. SECURITIES

From Our Own Correspondent

MONTREAL. — Consolidated Diversified Standard Securities Ltd. has informed the Montreal Curb Market that on Aug. 31 net asset value of the company's preferred stock amounted to $18.72, against $17.97 on July 31 and $18.62 on Aug. 31, 1939.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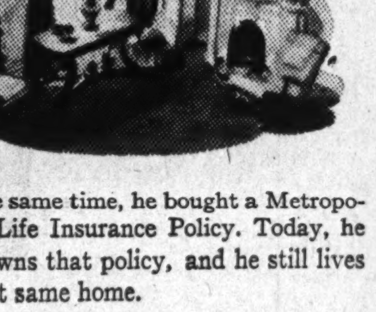
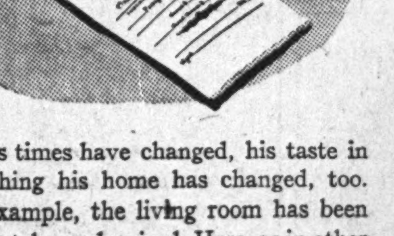
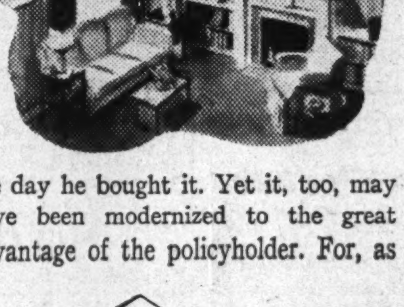
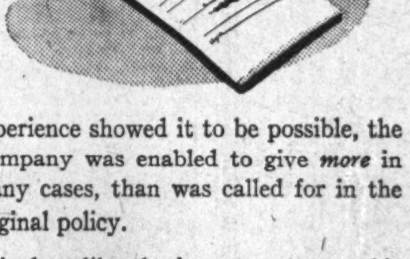
The story of the home...and the life insurance policy
MANY YEARS AGO, a man bought a house. Naturally, he furnished his home in the style of the day.

At the same time, he bought a Metropolitan Life Insurance Policy. Today, he still owns that policy, and he still lives in that same home.

But as times have changed, his taste in furnishing his home has changed, too. For example, the living room has been completely modernized. Here, as in other rooms, old-fashioned furniture has been replaced by up-to-date pieces. Electricity, telephones, and an improved heating plant have been installed in the house. However, the physical appearance of his life insurance policy probably has not changed a bit. It looks exactly as it did

the day he bought it. Yet it, too, may have been modernized to the great advantage of the policyholder. For, as

experience showed it to be possible, the Company was enabled to give *more* in many cases, than was called for in the original policy.
And, unlike the improvements to his house, which represent an outlay of cash, any additional benefits to which he is now entitled under his policy have been made available although no change in the premium rate was or could have been made.
▶For example, a policy issued before 1915 did not provide for participation in the surplus earnings of the Company.
Today, the holder of such a policy receives his share of the divisible surplus in the form of a dividend on his policy.
Many policyholders, who have found it impossible to continue the payment of the required premiums on their policies, have been delighted to find the non-forfeiture values available under such circumstances are, in some cases, now much larger than those specified in their policies.
As conditions warranted, Metropolitan has also found it possible to increase substantially the amount of insurance payable under many of the earlier Industrial policies over the amount called for in such policies.
An important provision included in many current Ordinary policies is the right to have the insurance payable in the form of an income. This right was not included in early Ordinary policies, but has since been extended to them.
Provisions for additional benefits in case of death by accidental means, and benefits for loss of eyesight or limbs, have been added to Industrial policies issued before these benefits were regularly included in such policies.
▶The changes cited above illustrate the progress that has been made in liberalizing the terms of Metropolitan life insurance policies, and in providing more benefits. Each change has brought the policyholder some real advantage which the original contract did not obligate Metropolitan to provide.
These improvements in old policies have been made voluntarily by Metropolitan as part of its effort to provide the policyholder with the utmost possible protection and service.
▶If you are in doubt as to whether your old policies have become more advantageous since you bought them years ago, your Metropolitan Agent will gladly examine them and ascertain whether there are any additional benefits to which you may now be entitled.
This is Number 29 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.
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Assets of £130 millions. Over 900 branches in Australia, New Zealand & Pacific Islands.
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★
Wealthy Merchant's Mistake Costs Estate $22,355
A prominent merchant left $150,000 outright to his wife. Death duties were $14,660. The widow survived her husband by only 13 months. She, in turn, left her estate to three nephews. And for a second time death duties were paid, the amount being $24,685.
Had this merchant arranged for a properly planned Will, only ONE instead of TWO payments of death duties would have been made — a total of $16,990.
Thus, this man's failure to provide for the disposition of his estate in a manner that would keep shrinkage at a minimum resulted in needless expense of $22,355.
The CANADA TRUST COMPANY
London Toronto Hamilton Windsor St. Thomas Chatham Winnipeg Regina Edmonton Vancouver Victoria

Banking

Loans Hold Increase Above 1939 Level

Figures For All Banks Show Gains For Year—Compared With Previous Month Declines Are in the Majority

Current loans of the chartered banks have been tending upward in recent weeks, it is understood. This is partly owing to borrowing by the Dominion Government and private grain interests to finance the movement of the new western crop, and partly to heavier demand from mercantile and industrial sources for credit.

Commercial borrowings in July, the last month for which figures are available, were down about $10 millions from the previous month but were still $111 millions above last year. Only three banks showed a gain in July over June, these being the Bank of Nova Scotia, Bank of Toronto and Barclays. The gains were all relatively small.

But compared with a year ago, gains are shown by all the banks.

As current loans are one of the most important sources of revenue the banks have, the gain over a year ago is important, indicating that total revenues should be higher.

At the Ten Banks

The following table shows loans of the different banks in July with figures for the previous month and last year.

Current Loans (Millions of Dollars)

Bank:	July 1940	July 1939	June 1940
Montreal	196.9	169.3	201.9
Nova Scotia	93.2	85.2	92.1
Toronto	41.9	40.5	41.7
Provincial	13.7	13.1	14.0
Commerce	193.8	162.2	195.5
Royal	212.6	190.5	212.6
Dominion	55.8	45.4	58.4
Nationale	51.5	50.7	51.9
Imperial	63.2	55.6	65.2
Barclays (Canada)	2.1	1.0	1.9
Total	925.2	813.9	935.8

Unofficial estimates indicate that the volume of commercial loans in August and September will show an upward trend from July. As indicated above, business generally has been borrowing on a substantial scale, while grain loans which had been shrinking earlier in the year as grain was exported are believed to be expanding as the new crop moves forward. The banks usually look to the grain loans in the autumn to bring about a considerable increase in the loans outstanding. This year the congestion in the elevators may curtail the movement, but it is understood that farmers with good credit can obtain loans on grain in storage in their own granaries.

In October, 1939, the percentage of money lent to grain dealers, grain exporters and seed merchants was 18% of the total. This was the highest percentage in the five years 1935 to 1939, the next highest being 15% in 1935 and the lowest 3% in 1937.

Anxious to Lend

Banks are anxious to expand their loans on grain or other good security as the rate of interest obtained on loans is higher than the average on most high grade investments such as the banks buy.

This autumn with industry constantly expanding under the pressure of war, and a larger amount of money being required to finance grain already in storage and new grain delivered to the elevators, it is likely the increase which loans have shown over a year ago for some months will be maintained.

Weekly Statement Bank of Canada

An increase of $8.8 millions in reserves of sterling and United States exchange is shown in the statement of the Bank of Canada for the week ended Sept. 11. Some of this probably represents sterling bills turned in for exchange into Canadian currency. Total investments rose $3 millions, while other assets fell $4 millions.

On the liability side, deposits of the Dominion Government rose $23 millions, probably representing in part, payment received from other governments for war purposes. Deposits of the chartered banks were down $19 millions, while circulation rose over $7 millions to $320 millions.

Balance Sheet

	Sept. 11 1940 $	Sept. 4 1940 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	320,228,914	312,955,497
Rest fund	2,449,756	2,449,757
Depos.: Dominion	40,153,853	16,936,856
Bank	206,244,631	225,799,865
Other	9,901,048	6,240,962
Total deposits	256,299,532	248,977,683
All other liabs.	6,522,048	13,984,188
Total liabs.	590,500,250	583,367,125
Assets		
Reserve:		
In sterling & U. S.	23,083,947	14,263,687
Subsidiary coin	273,475	312,546
Advances	1,000,000	1,000,000
Investments:		
Dom. Govt. short	436,604,882	434,740,854
Other Dom. Govt.	121,738,506	120,858,655
Total invest.	558,343,388	555,599,509
Premises	1,729,646	1,729,646
All other assets	6.069,794	10,461,737
	590,500,250	583,367,125

Weekly Bank Clearings

	Sept. 12 1940 $	Change yr. ago %	Sept. 5 1940 $
Halifax	3,257,252	+36.1	3,142,220
Saint John	1,844,707	—11.9	1,773,726
Moncton	831,458	+5.4	777,683
Sherbrooke	827,227	+16.7	731,960
Quebec	5,947,514	+3.4	4,257,664
Montreal	91,263,511	—15.0	96,038,255
Ottawa	41,051,086	+126.8	48,122,442
Peterborough	578,597	—5.8	525,793
Kingston	663,359	+10.3	621,823
Toronto	79,663,657	—35.0	98,153,039
Hamilton	4,736,831	—10.8	5,897,918
Kitchener	1,131,746	+2.9	1,017,738
Brantford	729,743	—16.6	799,360
London	2,418,775	—2.6	2,371,467
Chatham	536,249	—6.5	608,042
Windsor	2,877,427	+9.1	2,235,088
Sarnia	503,246	+10.3	392,986
Sudbury	1,163,772	+5.4	825,987
Fort William	825,504	+0.07	884,853
Winnipeg	52,531,179	—36.1	32,738,527
Brandon	429,540	—1.6	360,913
Regina	9,516,018	+14.1	4,243,859
Moose Jaw	786,191	—3.0	590,141
Saskatoon	1,433,647	+0.4	1,262,094
Edmonton	4,317,981	+8.6	4,053,367
Prince Albert	371,933	+3.9	382,945
Calgary	5,875,358	+8.4	4,435,987
Lethbridge	646,342	—7.5	615,684
Medicine Hat	380,781	+20.6	253,381
N. W'minster	771,185	+11.1	350,449
Vancouver	16,481,783	—2.8	16,116,024
Victoria	1,758,563	—6.1	1,651,147

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

W. C. McKINNON, to be manager at Sarnia, Ont.

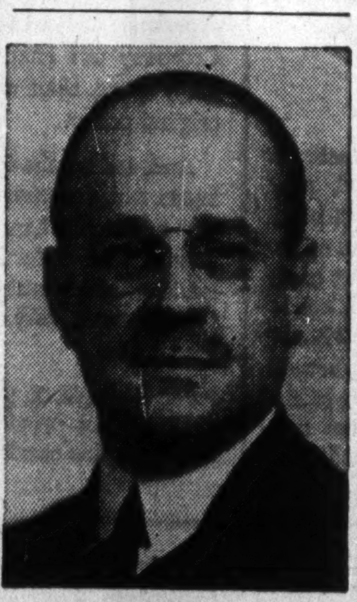
H. A. BALLARD, to be manager at Cobden, Ont.

A. LYONS, to be manager at Albany, P.E.I.

The Canadian Bank of Commerce announces the following staff changes:

R. J. COWAN, manager at Thorold, Ont., to be an assistant inspector at head office, Toronto.

A. M. INGLIS, accountant at Montreal, to be manager at Thorold, Ont.



N. W. Berkinshaw has just been appointed assistant general manager of the Bank of Nova Scotia. Mr. Berkinshaw entered the bank as a junior at Toronto in 1902 and after serving at various branches was appointed accountant in Calgary in 1907. He became manager of the Queen and Church Streets, Toronto, branch in 1910 and in 1915 was appointed manager at Vancouver. In 1926 he became manager at Montreal branch. He will take up the duties of his new position in the course of the next few weeks.

MUNICIPAL HONOR ROLL

Five Years of Progress by Local Government

SARNIA, ONT.

Sarnia is the eighteenth in a series of municipalities included in The Financial Post Municipal Honor Roll for 1940.

These municipalities are those which are considered to have shown stability over a period of years, or in recent years have made outstanding progress in improving their financial standing. No attempt is being made to run these in sequence of merit or size.

Much improvement has been made in the fiscal position of Sarnia, Ont., in the past five years. The city, in common with many others, overspent in 1932. But a strict policy of watching expenses has offset this since.

The city will have the lowest gross debt since 1916 and the smallest per capita debt in 28 years by the end of 1940. Per capita debt, estimated to be down to about $60 by the end of this year, has been reduced from $140.

Reduction of the tax rate this year by one-half mill brings the figure down to the lowest since 1929. The 1940 rate is 34 mills, compared with 40 in 1935.

A system of savings and levy for reserves to liquidate impairment of unpaid taxes and civic housing ventures was instituted. Substantial sums needed to pay for improvements can be paid out of current funds. Relief expenses have been met in the same way.

Sarnia never has had a sinking fund, but issues installment debentures calling for liquidation of principal annually.

At present rate the city's entire debenture indebtedness will be retired by 1959. Payments until 1959 range from $197,002 next year to $20,460 in 1959.

A marked increase in tax collections has been shown. Figure of over 85% of current collections to current levy in 1939 was up over 10% from 1935, while total of current and arrears at about 107% in 1939 was up over 6%.

The Statistical Picture

	1939	1938	1937	1936	1935
Population	18,241	18,269	18,155	18,230	18,064
Assessment (taxable; in $000's)	18,103	18,556	18,504	17,644	17,442
Assessment per capita	992.43	1,015.71	1,019.23	967.88	965.55
Mill rate	34.5	36.5	38.0	38.75	40.0
Tax collections:					
Current collections to cur. levy %	85.2	84.0	80.9	81.9	75.0
Current & arrears to cur. levy %	106.9	103.6	103.4	104.5	100.3
Net debenture debt* (in $000's)	1,251	1,432	1,597	1,790	1,970
Net deb. debt per capita $	68.58	78.36	87.95	98.17	109.06
Other liabilities	cr. bal.	cr. bal.	44,279	105,000	221,534
Relief exp. funded	nil	nil	nil	nil	nil
Relief met out of curr. rev.	18,248	15,520	14,166	30,498	48,316

*No sinking fund; all debentures payable on equal annual installments.

Last Debentures Sold

1939: $2,172 sold over counter at 4%; for local improvements.

British Industry Comes to Canada

Small Electric Motors, Ltd., of Beckenham, England, through their Canadian subsidiary, Small Electric Motors (Canada) Ltd., have completed plans to take up a one-and-a-half acre factory site on Vanderhoof Ave., opposite the Staunton Wall Paper Plant, Leaside, for the immediate erection of a Canadian factory, according to an announcement by the Toronto Industrial Commission.

Construction will commence within the next few days on a one-story factory at the site, and initial employment will be given to some 70 persons when manufacturing operations get under way. The lines to be produced are not disclosed.

Arrangements are in charge of W. C. T. Cran, an executive of the parent company.

Canadian Colonial Sets New Record

MONTREAL. — Passenger traffic of Canadian Colonial Airways in August set a new record. During that month 4,796 passengers were carried, compared with 1,038 carried in July. Of passengers carried in August, 80% originated in the United States.

During the past month the company carried more tourists into Canada by air than ever before in its history.

Brass Plant Building $900,000 Extension

Contract for extension of the plant in Anaconda American Brass Ltd., in suburban area of Toronto, has been awarded to the Carter-Halls-Aldinger Co. Estimated cost of the project is $900,000 exclusive of factory equipment, and the overall cost is likely to run to $2.5 millions.

The new building will be a separate structure, virtually a new plant, including mill and office building to meet wartime demands for increased production capacity. The same construction firm has already carried out a programme of additions and improvement of the existing plant, involving outlay of about $350,000 exclusive of equipment.

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Head Office: Toronto
BRANCHES THROUGHOUT CANADA

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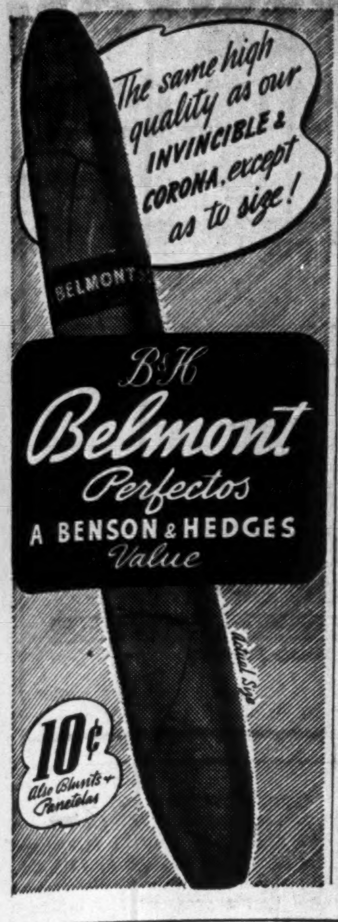
A Challenge to Canadians
From the shores of our Motherland comes an appeal for help which no true Canadian can fail to heed. While we live in comfort, death drops on that embattled island. The need for Red Cross assistance is urgent.
Our sons and brothers are over there. On land, at sea, in the air, they face death daily. We must be prepared to help them when they are sick or wounded.
Red Cross help is needed on behalf of soldier and civilian alike. Hospitals and hospital equipment, surgical supplies and dressings, ambulances and X-Ray equipment will be needed. Overnight the need may become so urgent that lives may be sacrificed if help cannot be sent at once.
Never before has there been so great a need for Red Cross assistance. This challenge to humanity must be answered. Give to the Red Cross. Give to the utmost NOW!
EMERGENCY CALL FOR $5,000,000 COMMENCES SEPTEMBER 23
CANADIAN RED CROSS
Give to the utmost...now!



Pulp and Paper Industry

Newsprint Mills Maintain Pace

High Output Backs Up View Large Inventories Desirable

From Our Own Correspondent

MONTREAL. — Canadian newsprint production and shipments in August continued at a level substantially in advance of those for the same period last year. There was a minor decline in operations compared with the previous month, but production of 316,607 and shipments of 332,234 tons were well above the average for the current year.

The August returns are particularly heartening, for some fear was felt that the rapid increase in American publishers' stocks would mean a sharp falling off in mill operations during the closing months of 1940. The August figures seemingly would indicate that such might not be the case.

A check-up with American publishers indicates that they do not regard present stocks as excessive; as a matter of fact, they considered them normal. The view is taken that, while the publishers' supply may look high in comparison with that reported in other years—now being well above 50 days as against the usual 35 to 40 days' supply—still the situation warrants carrying a higher inventory.

Need Larger Stocks

Supporting this belief the publishers point out that deliveries have been equalized to a greater extent than heretofore, so that the seasonal upswing in shipments just before the close of navigation should be less pronounced this year. Further, the sudden breaking of major news in world events has made it most desirable that publishers should carry more than average stocks in order to take care of bulges in circulation.

The preliminary figures for August, as released by the News Print Service Bureau and the Newsprint Association of Canada, would seem to bear out the belief of the publishers that the stocks have not been built up in anticipation of a price change, but solely as a protection against the development of new conditions.

August Returns High

Last month the Canadian mills produced 316,607 tons. This was about 16,000 tons less than in July, but nearly 80,000 tons more than a year ago.

For the first eight months of the period the mills in this country have turned out 2,291,283 tons, as against 1,805,669 tons for the like period of 1939.

At the same time the Canadian mills have lowered their stocks of paper on hand so that shipments for the current period have actually exceeded production. During July shipments were 16,000 tons greater than output, while for the eight months period, output was around 9,000 tons less than shipments.

Bigger Export Demand

A breakdown of the shipments shows, as was expected earlier in the year, a sharp expansion in shipments overseas. While the United Kingdom, ordinarily the principal overseas market, has taken less this year, the demand from other sources has developed substantially. This applies more particularly to the South American market.

Comparative figures on production and shipments by Canadian mills for August and the eight months ended August, 1940, with comparative figures for the like periods of 1939, follow:

Canadian Mills

August Operating Returns	1940	1939
Production	316,607	236,975
Shipments	332,234	224,367
Domestic	15,977	14,413
U. S.	232,231	168,645
Overseas	84,206	41,309
Eight Months Ended August	**1940**	**1939**
Production	2,291,283	1,805,669
Shipments	2,300,062	1,752,448
Domestic	120,640	122,108
U. S.	1,721,238	1,336,411
Overseas	458,784	293,929

Newfoundland Gains

Newfoundland's two newsprint mills reported a slight gain in production last month. The output of 31,724 tons was much the same as in August last year.

The results of the Island's newsprint operations last month were not particularly favorable, because of the seeming difficulty in securing shipping for overseas deliveries." Trade with the United States was double that of a year ago, but exports to other markets totalled only 11,518 tons, or about 30% of those of a year ago.

The Newfoundland figures must be taken with some reserve. Deliveries to markets depend upon the availability of shipping. Because of war conditions regular deliveries are not always possible and though the demand for the Island's newsprint exists, it is possible for the monthly returns to show wide fluctuations in deliveries which do not give any indication of the true state of affairs.

Ahead for Year

The returns for the eight months ended August are a more reliable index. In that period Newfoundland doubled its shipments of newsprint to the United States, while those to overseas markets moved up from 121,063 tons to 148,489 tons.

The Newfoundland newsprint picture is set out in the tables below:

Newfoundland Mills

August Operating Returns	1940	1939
Production	31,724	30,620
Shipments	23,682	45,718
Domestic	41	123
U. S.	12,123	6,450
Overseas	11,518	39,245
Eight Months Ended August	**1940**	**1939**
Production	231,777	194,529
Shipments	251,233	172,447
Domestic	464	396
U. S.	102,280	50,988
Overseas	148,489	121,063

The increase of 88% in shipments to the United States was not sufficient to offset the decline of 70.7% in shipments overseas, with the result that there was an increase of 8,042 tons in the Island's mill stocks during August.

U. S. Mills Active

American mills turned out 86,633 tons during August. This is the second highest monthly total in the past five years and was more than 6,600 tons greater than in August, 1939.

Shipments from the American mills did not keep pace, amounting to 81,714 tons.

For the first eight months of the year the U. S. mills produced 681,182 tons, as against 626,820 tons for the same period of last year. Shipments currently amount to 675,322 tons, compared with 627,457 tons in 1939.

Urges Deposit Brown Bonds

Committee Claims Plan May Be Delayed Unless Deposit Grows

Bondholders Protective Committee for Brown Co., urges immediate action to increase the proportion of assents to the Plan of Reorganization in order that application may be made to the court as soon after Sept. 21, 1940, as possible for confirmation of the plan.

Pointing out that the required percentages of assents have been received from all other classes of security holders, the Committee states in a letter to bondholders that assents have now been received from holders of 60% of the bonds compared with the minimum of 66 2/3% required for this class of security under the U. S. Bankruptcy Act.

"Delay is seriously adversely affecting the interests of the company and its security holders," the letter observes. "Until the plan is consummated the necessary additional working capital that the plan provides, is not available; the essential rehabilitation programme, which, through the expenditure of upward of $2,000,000, should place the reorganized company in a more advantageous position with respect to capacity and costs of production, cannot be begun; and the representative new board of directors that the plan provides cannot begin to function."

Fear Postponement

The letter stresses the fact that delay by bondholders may cause postponement of the proposed application for confirmation of the plan. The committee expresses the opinion that such delay has been due in part to the vacation season and to the erroneous assumption by some of the holders of bonds represented by committees that the committees are accepting the plan in their behalf. Actually each individual holder of bonds or certificates of deposit therefore must himself sign and return the required form of acceptance.

The committee states that it is advised that the plan has been accepted by substantially all institutions, banks, brokers and individuals known to be owners of large amounts of Brown Company securities and emphasizes that adoption of the plan now depends on prompt assent from individual holders of bonds and certificates of deposit, irrespective of the size of their holdings.

Newsprint Mill Stocks Contract

From Our Own Correspondent

MONTREAL.—North American mill stocks showed a net decline in August of 2,666 tons to 235,871 tons. Compared with a year ago mill stocks are down nearly 67,000 tons.

The mill stock situation has been growing progressively better over the past year and, in particular, the Canadian mills have brought their reserve supply to the lowest point for some time.

The position of mill stocks at the end of August for 1940 and 1939 follow:

Mills:	August 1940	August 1939
Canadian	160,123	214,659
American	18,812	17,946
Newfoundland	56,936	70,375
Total	235,871	302,980

Canadian Mills Operate at 83.2%

From Our Own Correspondent

MONTREAL. — Canadian newsprint mills operated during August at 83.2% of effective capacity, or nearly one third more than for the same month last year, according to the Newsprint Association of Canada. The current figure is somewhat less than in July when the mills operated at 90.8%, but is well above the average for the year to date.

U.S. Wood Pulp Supply Enough For Next Year

Imports From Canada Will Counterbalance European Imports

From Our Own Correspondent

MONTREAL. — The supply of wood pulp in the United States in 1941 will be sufficient to meet the requirements of domestic consumption and possible exports, according to a special statement issued by Edward R. Stettinius, Jr., in charge of the Industrial Materials Division of the U. S. National Defense Advisory Commission. As a result, no Government-sponsored programme for building new plants or curtailing use seems necessary or desirable at present.

The report was prepared because of concern over possible wood pulp shortage due to cutting off the Scandinavian supply.

Record Output Likely

The report stated: "Production of pulp by the domestic industry this year has increased sharply and may reach a record total of nearly 9 million tons. This will almost equal consumption in 1939 and would be adequate for requirements in 1940, were it not for the increase in domestic consumption and exports. Exports from the United States this year are estimated at 400,000 tons as compared with only 140,000 tons in 1939, again due to the shutting off of European supplies. Most of these exports have been to England and Latin America. Exports of paper and paper products have also shown a sharp increase. At one period in our study, shipments to foreign countries were expanding to such an extent that it seemed we might be facing a problem, but our subsequent development of facts showed that this was not serious.

Balance Pulp Supply

"The increased production of pulp by the domestic industry and the expansion in imports from Canada will in 1940, in the aggregate, more than offset the decline in shipments from Sweden, Finland and Norway.

"The elimination of Scandinavian pulp from this market, however, is causing some problems in the industry, especially among certain paper mills which make a variety of paper products and are dependent upon certain quality grades not available domestically. Until the pulp producers have developed these special grades or the paper mills dependent upon them have adapted their products to existing supplies, some difficulties will continue. The principal problems as now indicated are in the case of special grades of unbleached sulphite and sulphate.

"Another factor augmenting our supplies has been the rapid increase in the use of waste paper, especially in the manufacture of shipping containers.

Leaders Want Stability

"Another problem in the industry has been the rapid rise in the price of pulp, which appeared when Scandinavian supplies were being curtailed; but leaders of the industry have assured Leon Henderson, Commissioner in Charge of the Price Stabilization Division of the National Defence Advisory Commission, that further advances in the price of wood pulp would be made only as warranted by specific increases in cost."

The report concluded: "In view of the limited nature of the potential shortages, the increased production already reflected in present plant facilities, the industry's plans for further expansion, the increasing use of waste materials, the possibilities for substitution and the possibilities that a large amount of Scandinavian pulp may be released at the end of the war, no Government-sponsored programme for building new plants or curtailing use seems necessary or desirable at present."

U. S. Pulp Mills Operate Near Effective Capacity

From Our Own Correspondent

MONTREAL.—Member firms of the United States Pulp Producers Association report operations at 86% of effective capacity during July. The production of bleached sulphite and sulphate continued at capacity, while the output of groundwood or mechanical pulp stood at 67% of capacity.

Returns compiled by the U. S. Pulp Producers Association show that during July production amounted to 604,785 tons. Of this quantity 480,771 was used by producing mills; sales totalled 144,557, while stocks on hand at the end of the month amounted to 119,103 tons. During July the domestic supply was implemented by the importation of 85,485 tons, the major share of which came from Canadian sources.

A breakdown of the July returns shows that the demand for bleached sulphite and sulphate pulp continues at capacity, with stocks at the end of the month of very moderate proportions. Unbleached sulphite and sulphate production continues close to capacity, the former at 92% and the latter at 95% of respective ratings.

The supply of groundwood pulp made available during July, including domestic production and imports, amounted to around 105,000 tons, against which the amount used by producing mills and sales totalled 93,000 tons.

Details of the American pulp statistics for July follow:

Grades:	% of ind'y capacity reporting	Production during July	Used by producing mills	Sales foreign & domestic	Stocks* on hand end of July	Imports during July
Total, all grades except soda	86	604,783	480,771	144,557	110,103	85,485
Total sulphite	...	208,699	104,638	117,168	62,482	53,832
Bleached	100	130,909	61,722	78,459	40,962	27,662
Unbleached	92	77,790	42,916	38,709	21,820	26,170
Total sulphate	...	294,185	274,365	21,360	12,365	11,385
Bleached	100	24,307	39,362	5,818	3,618	5,839
Unbleached	92	249,878	235,003	15,542	8,747	5,546
Groundwood	67	86,401	90,717	2,353	41,683	19,186
Damaged, off-quality & Miscellaneous	41	15,499	11,051	3,676	2,573	1,082

*Total, for own use and sale, of pulp of own manufacture. (Does not include stocks of purchased pulp).

Import data from United States Bureau of Foreign and Domestic Commerce. Other data as reported monthly to the United States Pulp Producers Association.

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Pine Falls, Man. Smooth Rock Falls, Ont.
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Where will business stand after the war?
After the war, when pent-up emotions are released, the cry "profiteering" will again be raised, and business will be called upon to defend itself against unjustified accusations. The history of the last war will repeat itself . . . and "big business" will bear the brunt!
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Through I.A.C. amortized payment plans manufacturers of industrial machinery and such equipment are able to sell on deferred payments—often on a "pay for itself" basis—more effectively than if the sales were made for cash.
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Friendly, Efficient Collection Service — I.A.C. assumes all detail and expense of long term collections. Coupling friendliness and judgment with experience and efficiency, I.A.C.'s collection technique guards and maintains goodwill.
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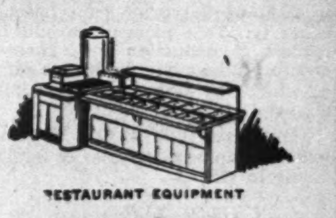
An experienced representative from any of I.A.C.'s twenty-five branches will welcome the opportunity to outline the application of I.A.C.'s sound practical plans to your individual requirements.

RESTAURANT EQUIPMENT
Restaurant Equipment—I.A.C.'s experienced credit service and intimate knowledge of local conditions adds to the soundness of selling made-to-order equipment on a deferred payment basis.

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Professional Fixtures—Friendly co-operation in handling extended collections maintains goodwill between the makers of medical and dental equipment and the professions.

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Theatre Installations — I.A.C. financing of theatre equipment and similar lines is featured by experienced credit service, special insurance protection and terms which often make payments possible out of increased earnings.

BAKING MACHINERY
Industrial Machinery—(of various types) I.A.C. instalment plans serve an economic need by helping firms install now, specialized equipment without tieing up capital needed for increased production.

STORE FIXTURES
Store Fixtures—I.A.C.'s experienced and extra-thorough credit service avoids losses on made-to-order equipment.
Industrial Acceptance Corporation Limited
Montreal
Halifax, Saint John, Fredericton, Quebec, Sherbrooke, Ottawa
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Chatham, Windsor, Sudbury, Timmins, Kirkland Lake, Rouyn
Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

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2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Imperial Tobacco

How will increased taxation on tobacco affect the earnings of Imperial Tobacco Co.?

Sales of Imperial Tobacco Co. of Canada in the first six months of the current year are reported to have shown satisfactory increases. Sale of tobacco prior to the new tobacco tax levy would in all probability account for much of this increase. Higher inventory of retailers, increased taxation and curtailed purchasing of consumer goods may affect sales adversely in the remainder of the current year.

The company has shown remarkable stability of earnings and payments over a period of years and earnings have shown a gradual upward trend since 1932. Advent of high war taxation and curtailment of consumer goods purchased is likely to interrupt the successive increases.

Abitibi Bonds

If I deposit my Abitibi bonds with the protective committee, what obligation do I incur, and where should I send the bonds?

By depositing your Abitibi bonds with the Bondholders' Protective Committee you would agree to accept its plan of procedure under which the sale of Abitibi assets is to be held Oct. 16.

Under the bondholders' plan, it is proposed to purchase the company at the sale, giving present bondholders in exchange for their holdings 40 shares of new common stock for each $1,000 of assenting bonds, or certificates of beneficial interest representing such shares.

The shares of the new company issued to assenting bondholders will be put in escrow until July 1, 1942, and an option will be granted to shareholders to purchase the stock during this period at fixed prices. If all stock were to be purchased by shareholders and creditors, the amount realized is calculated to equal the amount of the bondholders' principal, plus interest. Cash received from exercising the warrants given to junior interests is to be held by the escrow agents and distributed pro rata among registered holders of certificates of beneficial interest.

If the plan of procedure is consummated, the new company will pay the expenses. If, however, the plan is not consummated prior to Jan. 1, 1942, bonds assenting to the plan will be subject to a lien for the expenses incurred by the Bondholders' Protective Committee from the first of 1939. This lien was limited to ½ of 1% of the principal amount of bonds deposited.

Bondholders who do not deposit their bonds under this plan would be entitled to their proportionate share in cash of the price paid for the property. This payment would be subject to deduction for expenses and would be governed by the price at which the properties were purchased.

The Montreal Trust Co., Montreal and Toronto, are depositaries for the bonds in Canada.

Candn. Celanese

Would you kindly give me the details of Canadian Celanese Ltd. reorganization?

Canadian Celanese Ltd. has never been reorganized. What you probably refer to is the issuance of income funding rights. Shareholders agreed to the issue of 90,000 income funding rights on Dec. 11, 1934, to provide for cancellation of arrears of preferred dividends prior to Oct. 1, 1934. The rights are dated Jan. 1, 1935, and were issued on the basis of one right for each preferred share held. At the end of 1939 the income funding rights outstanding had been reduced to 73,971.

The no par value rights are entitled to non-cumulative interest at the rate of $1 annually out of profits, or, if the net profits are insufficient to pay such a rate, the net profits are to be divided in proportion to the number of rights held. This interest is paid before preferred dividends. The rights are redeemable at $25 each by call or in the open market or by private contract at less than $25.

Gatineau Power

I would appreciate your comment on Gatineau Power Co. and its outlook for 1940.

Statement of earnings for the first three months of the current year shows that operating revenue of Gatineau Power Co. increased slightly. The adverse position of Canadian exchange in relation to the U. S. dollar costs the company considerably more to service its funded debt, a substantial proportion of which is payable in U. S. funds. Because of savings on bond interest the company was able to show a balance available for preferred stock during the period of $548,526, compared with $538,867 in 1939.

With war stimulated industry in Canada calling for increased power delivery, it is probable that this upward trend of operating revenue will be continued during the current year. Profit available for shareholders, however, will likely be compressed because of higher operating costs and increased taxation.

$30,000 to Invest

Within the next two months I expect to have the task of investing $30,000 and would like your advice as to how to go about planning and selecting diversified investments to secure reasonable security and income. Has The Post published any model portfolios recently?

The Financial Post policy on answering subscribers' enquiries does not permit us to select a list of investments for your $30,000. We are glad to give what general advice we can and to answer any questions about specific securities in which you might be interested.

You have probably noticed that The Financial Post has published from time to time the views as to investment policy which are held by capable students of such matters in this country. In the Sept. 7 issue, for example, there is an article by W. D. Ross which outlines several basic points which investors would do well to keep in mind in making their selection.

On June 22, A. G. Walwyn published his ideas of the proper selection of investments for $50,000 for a businessman at that time. Then on August 10 this same author discussed the position of an investment in stocks legal for life insurance companies in Canada.

C. P. R.

What are the prospects for the resumption of dividends on the common stock of C.P.R.?

Resumption of preference dividends of C.P.R. was made only after consideration by the company of its position now and in a post-war period. Despite wide expansion of earnings, the company is following a conservative course in dividend disbursements and the possibilities of payment on the common stock do not appear particularly bright.

Evidence that the company is not considering resumption of dividends on the common stock is the fact that it is retiring $15 millions of its funded debt on Oct. 1. This will come from working capital, built up by excellent revenue in the past year. While the position of the common stockholder is improved to that extent, the resources which might go to paying common dividends are diverted to lightening the burden of fixed debts.

This retirement is also evidence that the company is safeguarding its position for the post-war period of dislocation. If present betterment continues for a sustained period, there might be possibilities of common dividends, but at this time they appear to be in the distant future.

Southern Canada Net Decreases

Higher Operating Expenses Offset Rise in Gross Earnings

MONTREAL.—Increase in gross earnings of $22,485 is reported by Southern Canada Power Co. for August compared with the same month last year. Operating expenses, however, rose by $24,908, depressing net earnings for the month by $2,423 from last August to $111,511.

After provision for interest, depreciation, amortization and dividends, surplus of $432 remained, compared with surplus of $3,615 a year ago.

Earnings in the 11 months period to Aug. 31 showed the same trend. Gross earnings amounted to $2.5 millions, an increase of $251,090 over the corresponding period a year ago. But operating expenses increased $251,240, making net earnings of $1.2 million.

Operating Statement

August:	1940	1939	Incr.
Gross earns.	228,644	206,159	22,485
Oper. exp.	117,133	92,225	24,908
Net earnings	111,511	113,934	*2,423
Int., deprec., amort., divds.	111,079	110,319	760
Surplus	432	3,615	*3,183
11 Months to Aug. 31:			
Gross earns.	2,453,874	2,202,784	251,090
Oper. exp.	1,213,456	962,216	251,240
Net earns.	1,240,418	1,240,568	*150
Int., deprec., amort., divds.	1,236,043	1,213,358	22,685
Surplus	4,375	27,210	22,835

*Decrease.

Form 'Government' Company To Handle B. C. Orders

From Our Own Correspondent

VANCOUVER.—By the incorporation of West Coast Industries, a non-profit organization representing all the important metal trades of British Columbia — about 60 plants—the Pacific province has cleared the way for handling an increasing number of war contracts, and it is probable that within a few weeks B. C. will be producing shells and other armaments on a large scale.

West Coast Industries is another of the Government-sponsored companies resulting from the war. Its function will be to act as a clearing house for all British Columbia in negotiation of war contracts for west coast metal working plants.

One of the first orders to be handled by the company is for machine tool lathes amounting to $600,000, according to W. C. Woodward, Vancouver, executive assistant to Hon. C. D. Howe. Additional orders will be given providing for production of at least 100,000 shells a month in B. C. plants.

Col. H. S. Tobin is president of the company and J. S. Eckman is vice-president. Directors include P. W. Burbidge, Alex McKelvie, Will Vivian, W. A. Burnett.

Desirability of such an organization was emphasized by its organizers on the ground that the Pacific coast is in a unique position compared with the majority of Canadian metal trades operators due to climatic and geographical conditions, transport problems, and so on.

Revenue of Nfld. Shows Increase

From Our Own Correspondent

MONTREAL.—Revenue of Newfoundland in August increased $17,578 to $936,814. In the first two months of the current fiscal year, July and August, revenue was up $255,526 to nearly $2 millions. Revenue from all sources, except that of natural resources, and post and telegraphs, showed good increases. Much of this increase is attributable to increased taxation and a higher rate of activity on the Island.

Expenditure in August decreased $45,836 to $895,487. In the two months' period expenditure was down $125,000 to $2 millions.

SECOND INTER-STATE

From Our Own Correspondent

MONTREAL.—Second Inter-State Royalty Corp. has informed the Montreal Curb Market that at Aug. 31, the company's investments in oil royalties had a book value of $202,550.

Gross revenue from royalty income since acquisition amounted to $49,346 to July 31 and reserve for depletion totalled $13,569. During the month of July the corporation had gross royalty income of $667.

SECOND WAR LOAN

Subscribers may enter their orders through our Office

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Telegraph or telephone us collect.

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

INTER-STATE ROYALTY

From Our Own Correspondent

MONTREAL.—Inter-State Royalty Corp. has advised the Montreal Curb Market that at Aug. 31 the company's investments in oil royalties had a book value of $1.1 million.

Gross revenue from royalty income since acquisition amounted to $487,693 up to July 31 and reserve for depletion totalled $134,116. During the month of July the corporation had a gross royalty income of $3,796.

Quebec Replaces Surplus With $7 Million Deficit

From Our Own Correspondent

MONTREAL.—Deficit on ordinary account of $7.3 millions is reported by Hon. J. Arthur Mathewson, Quebec provincial treasurer for the year ended June 30, 1940. This compares with surplus on ordinary account of $4.9 millions in the preceding fiscal year.

Ordinary and extraordinary expenditure exceeded revenue by $18.5 millions, compared with $2.7 millions in 1938-39. Overall deficit amounted to $52.5 millions, against $49.4 millions.

A part of present expenditure was made by the present administration since it took office last Nov. 8, but the greater portion was made or commitments made by the previous regime. Mr. Mathewson states that expenditure amounted to $68 millions when the Government was sworn in. The remaining eight months of the year were completed with expenditure of $40 millions.

Curb Capital Spending

Deficit was $4 millions less than anticipated, Mr. Mathewson states in a memorandum accompanying the Government's statement. He states that ordinary expenditure is being kept "well within budgetary estimates and efforts are being continued to practise economies."

Drastic steps are being taken to curb capital expenditure, the provincial treasurer declares, in view of national requirements for war purposes.

In a supplementary statement the Provincial Treasurer announced that public debt of Quebec stands at $339.8 millions, plus temporary loans and deposits of $5.2 millions, a total of $345 millions. He compared this with direct and indirect debt of $420.3 millions at Nov. 8, 1939, when the present government took office.

Debt funding operations carried out last February took into account the major part of requirements for the year, including capital expenditure and requirements of the Farm Credit Bureau.

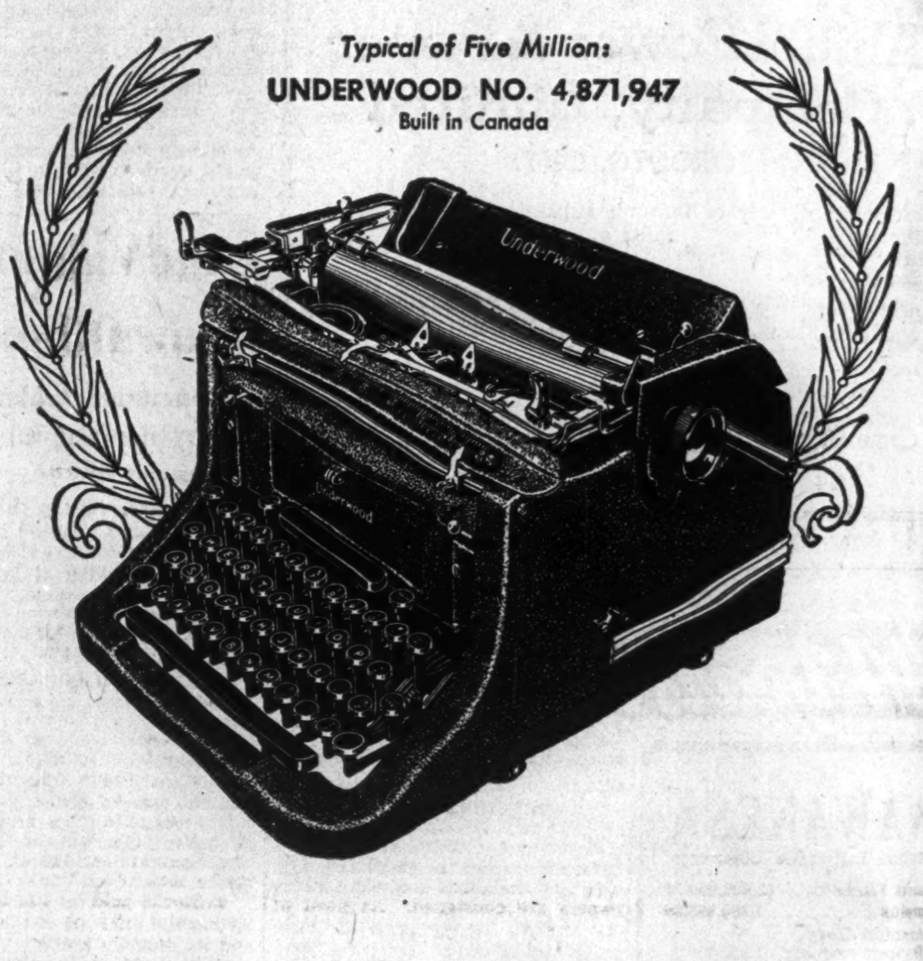
Ordinary Account Revenue and Expenditure Years Ended June 30

Revenue:	1940	1939	1938
		$000's	
Taxation	40,636	42,748	38,371
Natural resources	6,297	10,034	7,478
Liquor profits	4,412	3,686	3,259
Dom. subsidy	2,465	2,465	2,465
Interest	434	629	554
Miscellaneous	1,406	1,274	1,217
Total	55,650	60,836	53,344
Expenditure:			
Debt charges:			
Interest	9,658	7,693	6,505
Sinking fund	3,672	3,490	3,155
Amortization	1,149	485	357
Civil service	3,792	3,580	3,324
Education	4,011	4,178	4,060
Public works	1,768	2,199	1,989
Agriculture	4,100	5,166	4,727
Labor	6,003	4,435	3,528
Colonization	2,864	3,369	2,922
Lands & forests	2,567	2,456	2,054
Roads	6,484	6,764	6,502
Attorney-General	4,074	3,973	3,649
Health	†4,951	2,280	2,310
Prov. secretary	2,524	1,792	1,576
Other expenses	5,320	4,088	3,678
	62,937	55,948	50,336
Ordinary surplus	*7,287	4,888	3,008
Extraordinary Expenditures			
Relief costs	10,475	4,930	12,447
Colonization	105	62	1,540
Pub. charities fund	†	2,261	2,147
Miscellaneous	604	302	22
	11,184	7,555	16,156
Deficit after extraordinary exps.	18,471	2,667	13,148
Capital Expenditures			
Unemployment aid	7,341	24,176	1,370
Roads	18,600	13,768	14,165
Colonization	1,601	4,664	5,363
Other items	6,532	4,121	1,062
Total	34,074	46,729	21,960
Overall deficit	52,545	49,396	35,107

*Deficit.
†Including public charities expenditure of $2.7 millions.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED
5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1939), $11,793,464
Capital (Fully Paid), $2,000,000
Reserve Fund, $2,400,000

Typical of Five Million:
UNDERWOOD NO. 4,871,947
Built in Canada



More Glory for Canada

and Stock Model

Underwood

Typewriter No. 4,871,947

— *all in a single year!*

❶ **It set the World's Endurance Record**
—at the Canadian National Exhibition's 1939 International Typewriting Marathon in Toronto . . .

❷ **It won the World's Major Speed Championship**
—when a Canadian girl raced it to the premier international typing title at Chicago last June against all makes of typewriters, *manual and electric* . . .

❸ **Then it shattered its own World's Endurance Record**
—at the hands of the victorious Canadian National Typing Team in the Canadian National Exhibition's recent 1940 International Typewriting Marathon in Toronto . . .

❶ SEPTEMBER 9, 1939

TURNED OUT 8,124,820 STROKES TO SET WORLD'S ENDURANCE RECORD

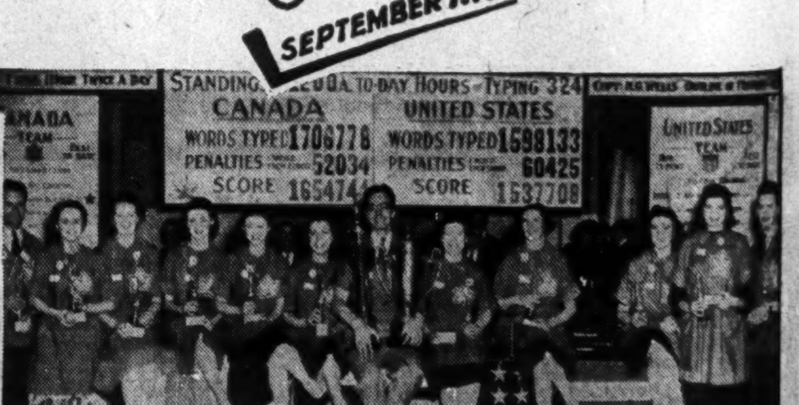
Over one hundred thousand spectators at the C.N.E.'s 1939 International Typewriting Marathon marvelled at the stamina of Stock Model Underwood No. 4,871,947. A team of 12 speedsters, operating it in shifts, pounded its keys unmercifully day and night for 14 days. Copying Shakespeare's complete works line for line, the typists 'banged' the return of the carriage 269,767 times. Yet, this *typical* Underwood more than justified its superiority as first choice of Canadian business by writing 1,624,964 words—8,124,820 strokes—to set an all-time record for endurance!

❷ JUNE 21, 1940

CAPTURED WORLD'S PREMIER SPEED TITLE

On to Chicago went this built-in-Canada Underwood to compete with *all* makes of manual and electric machines in the main event of the International Commercial Schools Contest. There, it took all that the year's *fastest* amateur typist (Margaret Faulkner, of Toronto) could give it, and raced on to the World's Speed Championship with typical Underwood ease!

❸ SEPTEMBER 7, 1940



SHATTERED OWN WORLD'S ENDURANCE RECORD AS CANADIANS WON 1940 DUEL

Back home came this *same* Underwood to star in the C.N.E.'s 1940 International Typewriting Marathon. Turning out 8,533,890 strokes in two weeks, it again withstood a terrific day-and-night beating as Canada's National Typing Team sped to a decisive victory. In 324 hours, on a mile of paper, with never-failing rhythm and ease, it typed 8,533,890 perfect strokes! Writing 1,706,778 words and transcribing H. G. Well's "Outline of History" four times, it shattered its *own* endurance record—a performance which spoke for itself to the 150,000 persons who witnessed it!

THESE stern, practical tests, to which no other writing machine was ever put, are of cardinal importance to *all* typewriter buyers! They reveal in some measure why records show that 7 out of every 10 typewriters in use in Canada today are Underwoods . . . counterparts of Stock Model No. 4,871,947. Only when an Underwood does your work can you know the maximum of typewriting speed, performance and economy. For a demonstration in your office, telephone or write *today!*

UNDERWOOD TYPEWRITERS
Outspeed—outwear—outsell them all!

Built in Canada by
UNDERWOOD ELLIOTT FISHER LIMITED
Joseph L. Seitz, President
Branches in All Canadian Cities

Before You Insure Consult
Confederation Life Association
One of the World's Great Life Insurance Institutions. Renowned for Strength, Service and Security Since 1871.

Fire and Casualty Insurance

Total War Boosts Marine Risks

Trade With Neutral Countries Affected As Well As Intra-Empire Shipping

Modern warfare including the use of all economic instruments has affected marine and war risk insurance far beyond anything ever experienced in previous wars. Established laws and customs have been supplanted by regulations by the belligerents providing for blockade of a country's entire population and even belligerent fixed quotas for adjacent neutral countries. Accordingly the hazard and thereby the cost of marine and war risk insurance have been materially increased, James W. Ryan, insurance counsel of New York City, told the Insurance Law Section of the American Bar Association at Philadelphia last week. The situation as outlined by Mr. Ryan is of direct importance to Canadian exporters and underwriters doing business with either allied or neutral countries.

The tendency of Governments, he said, especially the German Government, has been to ignore international and maritime law and to enact laws affecting marine insurance designed solely to further the particular nation's commercial or military interest.

Philosophy of Nationalism

This injection of the philosophy of nationalism into the settled rules of international trading, Mr. Ryan sees upsetting the foundation on which a continuance of trade rests. It has, he continued, impaired and almost destroyed the rights of neutrals and has forced other belligerents and some foreign neutrals to make foreign trade a function of government, if they are to keep it alive.

Neutral commerce, he stated, can be carried on only with the greatest difficulty, when belligerents with widespread military and naval forces have the power and the intention to disregard all trading rights of neutrals. "Underwriters under such circumstances assume enormous and almost incalculable risks," he added.

The German Codes

Instances of wholesale disruption of marine insurance and international law by Germany, he said, are contained in the German Prize Law Code and the German Prize Court Code.

"Under those laws, for example, as actually interpreted and applied by the German Prize Courts during the present war, a neutral vessel carrying a neutral-owned cargo to a neutral destination is confiscable as prize to the German Government if she merely touches at an enemy port for enough fuel to enable her to continue to destination.

"This decision was based on the provision in Article 23 of the new German Prize Law that 'the enemy destination of absolute contraband is considered proved * * *. If the vessel is to touch at an enemy port or make contact with the enemy forces before it reaches the neutral harbor to which the goods according to the papers are consigned.' As most of the world's fueling ports are now under the control of one or the other of the belligerents, this is in effect a law that neutral countries have no longer any right to continue trading with each other excepting on very short voyages.

"Indeed, the German Government has recently gone farther, and has taken the position in six instances that a neutral vessel carrying neutral cargo to a neutral destination is confiscable as prize if, under duress by the other belligerent, she will touch at an enemy port for examination by the other belligerent's contraband control authorities. It has taken the position in still other instances that the neutral vessel and cargo are similarly confiscable if they have submitted under duress to the navicert system imposed by the other billigerent over the protest of the neutral's Government." (Note—Navicert system means one by which the naval authorities of any power issue a certificate to a ship as to the nature of its cargo and its destination. Thus an American ship leaving New York might obtain a certificate from the British naval authorities there which would enable it to proceed without further examination by the British warships it might meet at sea.)

"They are also confiscable under Article 14 of the German Prize Law Code if they merely sail in the other belligerent's convoy during part of the voyage to protect themselves against destruction while proceeding through mined areas on the high seas on their way to neutral ports.

"Moreover, the German courts will not even entertain a claim or defense based on rights under international law which are in conflict with provisions of the unilaterally enacted German Prize Law Code.

Presumption of Guilt

"Another article (Article 8) of the new German Code provides that 'so long as the character of the goods cannot be conclusively established, they are to be treated as enemy goods.' In other words, a neutral is presumed to be guilty of some crime warranting forfeiture of his property unless he conclusively establishes in a particular proceeding in a far-distant belligerent court within a limited time that he is innocent.

Notice or Trial

"Another article of the German Prize Code provides that 'The President of the Prize Court gives notice of the institution of proceedings by a notice in the German Official Gazette. In this notice he fixes a period within which the parties must submit their claims to the Prize Court or be excluded from the proceedings.'

"It is obvious that in almost any given case there will be many * * * cargo owners who will not be subscribers to the German Official Gazette, and who will not be able to appear in the particular German Prize Court within the limited time and establish conclusively their neutral ownership. If a majority happen to be in this position then, under Article 14 and 28 of the German Prize Code, the neutral vessel herself is presumed to be liable to capture, and is confiscable as prize.

Risk of Bombing

"The bombing of vessels and ports by belligerent airplanes has also been new and serious development in the present war affecting marine insurance laws and the risks borne by underwriters. Vessels and cargoes are no longer immune from serious risks once they arrive in port. The danger in port may be greater than at sea. This, and the long delays in port due to military supply priorities and other war causes, led to the abandonment by British underwriters, and shortly afterward by all underwriters, of the warehouse to warehouse coverage in war risk policies. The war risk is, in the main, waterborne only."

Death Rate for Ontario Shows Decline of 5%

Heart disease continues to be the most common single cause of death in Ontario, according to statistics compiled by the provincial Department of Health.

The annual report of the Department for 1939 states that diseases of the heart were responsible for 19.9% of the total deaths in the province in 1938 the last year for which complete statistics are available. This compares with 12.1% for cancer, 11.1% for diseases of the arteries and 7% for pneumonia and bronchitis. The total death rate for the year at 9.89 per 1,000 of population was 5% below that for 1937.

Most Deaths Over 70 Years

If deaths resulting from diseases of the heart, arteries and kidneys are taken together they contributed 36.2% of all deaths, most of which, however, occurred at ages over 70 years.

The report states, however, that the increases in deaths from these causes indicated by the statistics is somewhat exaggerated owing to:

Older age structure of the population.

Transfer of many deaths from senility and ill defined causes to this group.

More detailed certification of causes of death.

One third of the cancer deaths occurred at ages under 60 and 60% under 70.

The report states that over 2,000 new cancer cases are being treated each year in the seven Ontario Cancer Centres. Most of them are cancers of the so-called accessible sites in the breast, mouth, skin, etc. Much can be accomplished especially in cancer of certain sites, the report states, if diagnosis and established methods of treatment are effected promptly.

Problem of Pneumonia

Diseases of the respiratory organs were lower in 1938 than in the previous year owing to a drop in the recorded deaths from influenza. Pneumonia, according to the report, is an important health problem at all ages.

Accidents continue a leading cause of death being responsible for 6.4% of the total.

Up to 50 years of age accidents are stated to rank first among causes of death.

Sun Life Makes Agency Change

Eastern and Western Divisions Consolidated Under Roy C. Grant

Under a rearrangement of the agency organization of the Sun Life Assurance Co. the eastern division including India, South Africa, Java, etc., and the western division including Latin America and the West Indies will be consolidated and known as the Eastern-Western Division. Roy C. Grant has been appointed superintendent of the new division. Mr. Grant, who was formerly superintendent of agencies eastern division has been with the Sun Life since 1912. He left the company in 1915 to serve in the Great War. After his return he served the company for a time in Puerto Rico and later at head office.

ROY C. GRANT

T. L. Overing and Russell T. Black have been appointed assistant superintendents of agencies with him. Mr. Overing has served in India as resident secretary and since 1937 as assistant superintendent of agencies. Mr. Black has served in Latin America and for some years has been inspector of agencies.

F. D. Macorquodale, formerly superintendent of agencies, western division, retires on pension. At a farewell luncheon he was presented by his associates, through President Arthur B. Wood, with an oil painting.

Salesmen Urged To Dispel Fear

North American Life President Shows Agents Form of Service

In a letter to representatives of the North American Life Assurance Co., D. E. Kilgour, president and general manager, said in part:

"The first thought I wish to bring to you is my profound conviction that when the war is over Canada will surge ahead as never before. The great industrial expansion that is taking place will remain, and with that we shall have important immigration from the Old Land that may well make this country the heart of our Empire. Shall we be worthy of that future?

"Let me enumerate just a few things you can do. You are a life insurance man. Many of our men are being called upon for active service. The field man remaining will have more work to do, more people to see, more wage earners to protect, and potentially a greatly increased income for himself. Serve by dispelling fear—the fear of defeat, fear of bankruptcy, fear of inflation, fear of confiscation. This country will not only have its resources intact but enhanced. It will not become bankrupt. You can help to win the war directly by greatly increasing life insurance funds.

"Do not become frightened about confiscation of money. That is the last thing the Government wants to do. In mobilizing the resources of the country, the Government must have complete control of the means of production as well as of manpower. Direction of resources, not confiscation, is what is sought."

Appointed Assistant Manager

George W. Day has been appointed assistant manager of the Peel and St. Catherine Streets branch in Montreal of the Manufacturers Life Insurance Co. George H. Boright is manager.

Bond Valuation Basis Offered

Association of Provincial Supts. of Insurance Suggests Method

Basis for the valuation of securities in annual reports of insurance companies and societies to be filed with the provincial governments as at Dec. 31, 1940, has been submitted by the standing committee of the Association of Provincial Superintendents of Insurance as follows:

1. All bonds amply secured and not in default . . . on an amortized basis.
2. All other bonds shall be valued as shown in a list of securities to be published about Jan. 15, 1941, by the committee.
3. Stocks, except as provided in paragraph 4, shall be valued in the aggregate at book value or market value, whichever is lower.
4. Stocks held by life insurance companies may be valued in the aggregate at the cost or book value, whichever is the lower, provided:

The income from such stocks during the last five years has been at a rate sufficient to meet the interest required to maintain policy reserves and other policy obligations.

The net investment income received on the company's ledger assets has not been less than required to maintain the reserve.

List of Securities

The committee also recommends that the list of securities referred to in paragraph two include all bonds not eligible for amortization and the valuations shown shall be market quotations as of Dec. 31, 1940. Bonds of the states of the United States and of the Canadian provinces and their political subdivisions are excepted. These should be valued at market quotations as of Dec. 31, 1940. If, however, they have been issued later than that date, the original cost price shall be used.

Market valuations of stocks should be market quotations as of Dec. 31, 1940. If securities are not quoted on that date, the latest available quotation should be used.

These suggestions do not affect Dominion licensed companies.

Obituaries

Hon. J. M. Wilson, chairman of the board of the Banque Canadienne Nationale, president and director of Boivin Wilson Ltd., wholesale grocers, Montreal, the General Trust of Canada Ltd., Windsor Hotel Ltd., director Montreal Island Power Co., Canadian Pacific Railway, Provincial Transport Co., Beauharnois Power Corp. Ltd., aged 80, at Montreal.

Walter Wily, former eastern inspector of the Dominion Bank, later secretary to the late Sir John Eaton and subsequently to Lady Eaton, aged 65, at Toronto.

A. E. Taylor, former branch manager of the Bank of Montreal, aged 70, at Lindsay, Ont.

J. T. Johnston, controller of the Dominion Water and Power Bureau of the Department of Mines and Resources, Ottawa, aged 57, at Toronto.

R. W. Thompson, president Thompson & Sons Ltd., lithographers, aged 58, at Toronto.

Life Insurance At Work

Back in 1903 a certain man took out an endowment insurance policy with the intention of providing for his daughter when the policy matured 20 years later. But after three years payment of premiums was discontinued.

Like many people he believed that stoppage of premium payments meant complete loss of all benefits from the policy. Accordingly he took no further interest in it.

When the policy matured the company wrote the daughter telling her they had a sum of money payable to her and asking instructions regarding payment. No reply was received. Investigations revealed that the lady had last been heard of in the Orient, that her parents had died years before and no trace of the policy had been found among their papers.

In 1937 a lady member of the company's staff in the Orient, looking over the company lists, noted the name. She had friends by the same name and through them was able to trace the beneficiary who was actually at that time a refugee on a boat fleeing from Shanghai. The latter had been forced to leave her home with hardly any cash in hand. On her arrival at Hong Kong in borrowed clothes she received her cheque from her father's insurance policy.

Fire Insurance Notes

T. E. Patterson, who for the last 18 years has been branch manager of the Royal-Liverpool insurance groups at Halifax is retiring after 46 years total service with the companies in the group. He will be succeeded by Angus E. Mackay, who has been with the Royal-Liverpool groups for 26 years, the last seven of which he was assistant manager at Halifax. H. Churchill-Smith will continue as assistant manager.

* * *

Scuttling a ship nullifies marine and war risk insurance according to a ruling of the British House of Lords, received by the Montreal Shipping Co. from its correspondents in London.

At the beginning of the war a considerable amount of cargo was carried in German ships, many of which were either captured, sunk or scuttled by their crews. A similar situation developed when Italy entered the war in June. The present judgment was given on a test case brought against Lloyd's Underwriters by a number of shippers who had suffered damage when their cargo was damaged in enemy ships. The ruling is expected to apply to Italian scuttlings as well as German.

A case of considerable interest in Canada was that of the Capo Noli, operating between Canada and Italy, which was scuttled in the St. Lawrence, June 10, with much allied cargo on board.

Superintendents Meet In Executive Session

The Association of Superintendents of Insurance of the Provinces of Canada is holding an executive session at Winnipeg this week.

In his presidential address, Hartley D. McNairn explained that the regular open conference planned to meet in Saskatoon had been cancelled on account of the war. The present small executive session he indicated would deal mainly with matters which do not require open discussion.

Good Rich Oil Co. Gives Ambulance

The importance of co-operation among industrial employees in wartime activities was recently demonstrated by the gift of a motor ambulance to the Canadian Red Cross, which was made at Port Credit.

There 350 employees of the Good Rich Oil Co. and the Good Rich Refining Co. Ltd. wholeheartedly undertook the raising of sufficient money to secure a completely equipped ambulance. They supplemented their own donations by holding a garden party at Port Credit, which was a great success, and also by a largely-attended benefit ball game.

On completion of the fund, the ambulance was secured, driven to the spacious grounds of the Good Rich companies and there formally presented to the Canadian Red Cross, on behalf of whom Dr. F. M. Routley congratulated all on their united efforts and their spirit of patriotism.

Excelsior Life Completes 50th Year of Operation

On October 15 the Excelsior Life Insurance Co. will complete 50 years of operation, having commenced business in 1890.

The company's first charter was granted by the Ontario Government July 7 of the previous year. E. F. Clarke, publisher; J. D. Wells, insurance manager; John Ferguson, physician; William Bell, merchant; J. L. Hughes, school inspector, and William Galbraith, clergyman, all of Toronto, were named in the charter as provisional directors. The intervening months were spent in getting subscriptions to the capital stock, preparing rates and organizing a staff.

First offices were in a small building on Adelaide St. East, in Toronto near the General Post Office. E. F. Clarke, M.P.P., and Mayor of Toronto, was the first president; E. J. Lomnitz was secretary-treasurer and Dr. John Ferguson medical director. In 1891 Mr. Lomnitz was made manager and in Jan., 1892, was succeeded by E. F. Clarke as managing director.

By 1890 the company had insurance in force amounting to $3.6 millions and assets of $328,205.

On its 50th birthday it will have $115 millions in force.

The company obtained a Dominion license in 1897. The present office building at Adelaide and Victoria Streets was erected by the company and occupied Aug. 1, 1915.

Alex Fasken, K.C., is president; C. P. Muckle, A.A.S., secretary-treasurer; C. Q. Parker, investment manager, and T. O. Cox, manager of agencies.

Provide for YOUR FUTURE SECURITY . . .

. . . By putting aside just a few dollars monthly

The Mutual Life of Canada offers a variety of protection and savings plans. Ask a representative of Canada's oldest and largest "mutual" life insurance company to give you full information.

BUY WAR SAVINGS CERTIFICATES

THE MUTUAL LIFE OF CANADA
Established 1869
Head Office Waterloo, Ont.
"Owned by the Policyholders"

The WAWANESA Mutual Insurance Company

Assets Exceed ...	$2,600,000.00
Surplus	1,330,363.89
Dominion Govt. Deposit exceeds	1,000,000.00

Wawanesa ranks 1st against all Companies operating in Canada on Net Fire Premiums Written according to Dominion figures for 1939.

Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton.
2,000 Agents Across Canada

The sure way to create an estate is by Life Insurance
1340
Northern Life Assurance Company of Canada
Established in 1897
Head Office: London, Canada

CONTINENTAL LIFE
FOUR SQUARE
Four Square Progress for 40 Years
Over Twenty Thousand Canadian Homes Enjoy Protection by Continental
A CANADIAN COMPANY ESTABLISHED 1899
President JOHN W. HOBBS
Managing Director NEWTON J. LANDER

NORTH AMERICAN LIFE
ESTABLISHED 1881
A MUTUAL COMPANY
Head Office: TORONTO, CANADA
"Assure your future"
ALL PROFITS FOR POLICYHOLDERS

FIDELITY Insurance Company of Canada TORONTO

THE BRITISH AMERICA ASSURANCE COMPANY
TORONTO · CANADA
INCORPORATED 1833
FIRE
CASUALTY
AUTOMOBILE
MARINE
AVIATION

Mutual Selection

IN FIRE INSURANCE, ONLY CAREFUL SELECTION OF EVERY PROPERTY CAN PROTECT ALL

Careful selection of properties and owners is the root of this company's enviable record of policyholder benefits.
The selective character of Northwestern policyholders results in substantial annual savings, which under the mutual plan are returned to the policyholder. Last year these savings amounted to $1,531,487.

Applications For Agencies Invited
NORTHWESTERN MUTUAL FIRE ASSOCIATION
Canadian Head Office Vancouver, B.C.

FIRE and WINDSTORM
SERVICE THAT SATISFIES!
To Policyholders and Agents alike, it is a strict rule of The Portage Mutual to give complete, friendly service in all its dealings, including satisfactory adjustments and speedy settlement of claims. And remember, too, Portage "Service that Satisfies" means "Service with Security".
THE SHIELD OF PROTECTION
THE PORTAGE MUTUAL INSURANCE CO.
MUTUAL SERVICE WITH SECURITY
EST. 1884
104
The PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY
PORTAGE LA PRAIRIE, MAN. WINNIPEG, REGINA, EDMONTON

Fire Insurance and Allied Lines
AGENCY INQUIRIES INVITED
NATIONAL RETAILERS MUTUAL INSURANCE COMPANY
SERVICE SAVING SECURITY

THE Stenographer LIKES
DOMINION Battleship LINOLEUM

because of it's FOOT COMFORT

Foot comfort plus the restful quiet of Dominion Battleship Linoleum means a more efficient staff, which is one reason why this modern *permanent* floor enjoys such wide favour for offices, stores and public buildings. Dominion Battleship Linoleum does not require periodic refinishings or excessive cleaning costs. Covered by our 5-Year Guarantee when laid according to our specifications. Available in a wide range of colours and effects offering endless decorative scope.

Write us for samples and literature.

DOMINION OILCLOTH & LINOLEUM COMPANY LIMITED MONTREAL

HOW MUCH OF YOUR OVERHEAD IS . . . UNDERFOOT?

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

THE WEEK'S QUOTATIONS

WEEK ENDING SEPTEMBER 16

Range 1940 High	Low	Div R'te $	Sep14 Y'ld %		Sales	Last Sept. 9	Week end. Sept. 16 H	L	Cl'se
				A					
2.50	.50	.	...	Abitibi ...	2880	.70	.75	.65	.75
27½	2½	.	...	Do. pref. 6%	305	3½	4½	3½	4½
33	5½	.	...	Do. pref. 7%	50	8	7	7	7
6	3	.	...	Acme Glove ...	50	3	3	3	3
57	45	6.50	...	Do. pref. ...	5	45	45	45	45
12½	9	80+20c	10	Agnew Surp. ..	....	(11 bid 12½ asked)			
110	105	7	6.6	Do. pref. ...	5	108	105½	105½	105½
3.00	.75	.	...	Alta. Pac. Gr...	....	1.00 bid 1.50 asked			
36	20	.	...	Do. pref. ...	75	29	31	28½	30½
16½	7	.	...	Algoma Steel ..	121	11	10	8	8

Range 1940 High	Low	Div R'te $	Sep14 Y'ld %		Sales	Last Sept. 9	Week end. Sept. 16 H	L	Cl'se
.20	.05	.	...	For. Pr. Secs...	....	(.15 Apr. 25)			
15½	6	‡50c	..	Foundation Co..	55	11½	12	11½	12
20	6	.	...	Fraser Cos. ...	25	11	9½	9½	9½
21½	7½	.	...	Do. Vot. Tr...	459	11½	12	11	11½
.50	.50	.	...	Freiman	....	(— bid 1.00 asked)			
38	32	.	...	Do. pref. ...	10	33	32	32	32
16½	9	80c	6.9	Gatineau Pwr..	344	11½	11½	11	11½
97	79	5	5.6	Do. pref. ...	300	89	90	89	90
105½	90	5.50	6.1	Do. 5½% pref.	....	(91½ bid 105 asked)			
6	1½	.	...	Do. Rights ...	35	2	1½	1½	1½
10½	4½	.	...	Gen. St. Wares.	943	7	7½	6½	6½
96½	77	7+57c	..	Do. pref. ...	40	90½	90	90	90
87	58	2.50+2.50	7	Goodyear T. .	25	70	71	71	71
57½	51	2.50	4.5	Do. pref. ...	26	56	56	54½	54½
*50	50	$3	...	Gould Pumps p.	....	(— bid — asked)			

Range 1940 High	Low	Div R'te $	Sep14 Y'ld %		Sales	Last Sept. 9	Week end. Sept. 16 H	L	Cl'se
1.25	.50	.	...	Walkerville Br.	150	.55	.65	.60	.65
135	120	7	5.2	W. Koot. Pr. pf.	....	(125 bid — asked)			
5	1½	.	...	West. C. Flour.	25	2	1½	1½	1½
47	21	.	...	Do. pref. ...	4	30	28	28	28
62	40	3	6.7	West Grocers ..	....	(45 bid 50 asked)			
112	103	7	6.5	Do. pref. ...	....	(105 bid 125 asked)			
•11	10½	50c	...	W'minster Pap.	....	(— bid — asked)			
15	9½	80c	6.7	Weston Ltd. ...	135	11½	12	11½	11½
99	76	5	5.6	Do. pref. ...	....	(85 bid 90 asked)			
24½	16	1	5.6	Wilsils ...	20	17	18	18	18
2.63	.90	.	...	Winnipeg El. A.	135	1.00	1.25	1.15	1.25
2.37	1.00	.	...	Do. (B) ...	16	1.00	1.00	1.00	1.00
12	5	.	...	Do. pref. ...	50	8	7	7	7
85	60	7	10	Wood, A. & J. p	....	(66 bid 90 asked)			
70	30	.	...	Woods Mfg., pf.	....	(30 bid — asked)			
11	5½	30c	...	York Knitting..	76	6	6	5½	6
•100	100	7	7	Do. 1st pref..	....	(— bid — asked)			
13	8½	.	...	Zellers ...	100	9½	8½	8½	8½
25	21	1.50	6.5	Do. pref. ...	....	(21 bid 23½ asked)			

Quotations: • 1939. * 1938.
▲ On account of arrears.
b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1940. ■ Participating.
†Interim. §Paid or declared payable in 1940 to date.

Mining Stocks

Week Ending September 16.

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 9 (or last)	High for week	Low for week	Close Sept.16

Oil Stocks

Vancouver Stocks

Oil Quotations

No	10½	.06	Royal Crest. ...	3,000	.08	.07½	.07½	.07½
No	36.00	15.00	Royalite ...	......	(21.00 bid 24.00 asked)			
No	.19½	.11	Royal Canadian..	7,000	.12	.12	.11½	.11½
No	.07½	.03	South End ...	......	(.03½ May 16)			
No	.60	.21	Southwest Pete ..	1,800	.28	.25	.25	.25
1	.06	.02	Spooner ...	......	(.02 bid .... asked)			
25c.	.38	.18½	Sunset Oil ...	......	(.20 July 6)			
No	.09	.03½	United ...	500	.04½	.04½	.04½	.04½
No	.07	.03½	Vanalta ...	1,000	.04	.04	.04	.04
1	.63	.23	Vulcan ...	......	(.25 bid .... asked)			
No	.05	.03	West Flank ...	......	(.05 May 11)			

*1939 Quotations.

Winnipeg Stocks

(Transactions from Sept. 9 to Sept. 14)

	Sales	High for period	Low for period	Close Sept. 14
Central Manitoba	1,000	.02	.02	.02
Home Investment	40	14.00	14.00	14.00
Proprietary Mines	100	1.75	1.75	1.75
Sachigo River	25	1.50	1.50	1.50
Sovereign Life	20	11.50	11.50	11.50
Traders Building	30	40.00	40.00	40.00
United Grain	34	7.75	7.75	7.75
Western Steel	50	8.00	8.00	8.00
Wingold	2,200	.06	.06	.06

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Dom Envelope, c.	6¼	..
Beav. Lumber, c.	..	4	Federal Grain, p.	28	..
Do., pref.	..	102	Do., com.	..	1¼
Can. Airways	1	..	Monarch Life	33	..
Can. Indemnity	120	..	Nor. C. Mtge., p.	5	..
Cres. Cream., p.	..	8	West. Brew.	1⅝	..
Dom. Envelope, p.	87	..	West. Grain, p.	5	7½

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Sept. 17	5,100	3,200	110,000	......
Sept. 16	4,600	6,400	93,000	11,750
Sept. 14	3,900	1,000	42,000	27,540
Sept. 13	6,500	3,500	81,000	13,560
Sept. 12	8,800	6,100	84,000	23,305
Sept. 11	7,300	5,800	124,000	53,580

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds
Sept. 18, 1940

%	Due	Bid	Ask.	Approx. Yld.
1	Mar. '41	99½	100½	.45
5	Nov. '41	103½	104½	1.20
1½	May '42	100½	100½	1.14
2	June '42	100½	101½	1.20
3	Oct. '42	102½	103½	1.40
2½	June '43	101½	102½	1.55
5	Oct. '43	108½	109½	1.90
2	June '44	100½	101	1.72
a2½	Jan. '44	92	93‡	4.30
4½	Oct. '44	108½	109½	2.12
2½	Nov. '44	101½	102½	1.87
a2½	Aug. '45	90½	91½‡	4.40
4	Oct. '45	105½	106	b1.98
4½	Feb. '46	109½	110½	2.42
3½	June '49	101½	102½	b2.77
3½	Oct. '49	102½	103	2.71
3½	Nov. '51	100	100½	b3.14
3½	Feb. '52	100	100½	b3.14
a5	May '52	98½	99½‡	5.03
4	Oct. '52	104½	105½	b3.16
3	June '55	97½	98½	3.16
4½	Nov. '56	107½	108	b3.06
4½	Nov. '57	107½	108½	b3.16
3	June '58	96½	97½	3.20
4½	Nov. '58	108½	109½	b3.20
4½	Nov. '59	109½	110	b3.23
a4	Oct. '60	91	92‡	4.62
a3½	Jan. '61	83	84‡	4.45
3½	June '66	99	99½	3.26
a3e	Jan. '67	80½	81½‡	4.17
a3e	Nov. '68	80½	81½‡	4.12
†3	Perpet'l.	88½	89½	3.36
	Dominion Guarant'd Bonds			
	Can. Nat'l. Railways:			
2	Feb. '43	100½	101½	1.49
2½	Jan. '46	99½	100½	2.20
3	May '44	103	103½	1.95
3	Dec. '50	97½	98½	3.16
3	Feb. '53	96½	97½	3.24
3	Jan. '59	95½	96½	3.25
*4½	Sept. '51	111½	112½	3.12
*4½	Feb. '56	112½	113½	3.39

%	Due	Bid	Ask.	Approx. Yld.
4½	July '57	112½	113½	3.44
*4½	June '58	114½	115½	3.44
5	Feb. '54	115	116	3.50
*5	July '69	112½	113½	b2.57
*5	Oct. '69	116	117	b3.30
*5	Feb. '70	115½	116½	b3.37
	Grand Trunk Pacific Rly.:			
3	Jan. '62	97½	98½	3.12
	Provincial Govt. Bonds			
	New Brunswick:			
3	Oct. '51	83	85	4.77
3½	Aug. '49	87	89	4.78
3½	June '56	85	87	4.66
c4	Nov. '47	94	96	4.66
c4½	Apr. '61	96½	99	4.57
c5	Jan. '60	100	102	4.84
	Nova Scotia:			
3	Jan. '52	91	92	3.87
3½	June '56	90½	92	3.93
3½	Nov. '50	96	97½	3.79
c4½	Sept. '52	104½	106½	b3.45
c4½	Nov. '60	104½	107	4.00
c5	Mar. '60	110	112	4.10
	Ontario:			
2½	May '45	99	100	2.50
3	Apr. '48	97½	98½	3.22
3	Nov. '50	96½	97½	3.30
3½	Nov. '51	98½	99½	3.30
3½	May '55	97½	98½	3.38
*4	June '62	104	106	3.60
4½	June '50	108½	109½	3.35
*4½	Jan. '62	110	112	3.68
5	Oct. '48	110½	111½	3.36
*5	Dec. '60	116½	118½	3.70
5½	July '46	110½	111½	3.32
	Ont. Hydro Commission:			
3	Aug. '48	97	98½	3.21
3½	Feb. '53	98	99	3.35
3½	Apr. '47	100½	101½	3.20
	Prince Edward Island:			
3	Oct. '45	94½	96	3.87
	Quebec:			
3	Nov. '47	94	95	3.78
3½	Mar. '48	94½	95½	3.95

%	Due	Bid	Ask.	Approx. Yld.
3½	Mar. '34	91½	92½	3.97
3½	Mar. '39	91	93½	4.00
4	Mar. '52	99	101	3.98
4½	Aug. '58	100½	102	4.33
4½	Jan. '63	103	105	4.19
	Alberta:			
4	Dec. '54	53	57	d
4½	Oct. '31	61	..	d
c4½	Oct. '56	55	59	d
*5	Oct. '59	57	61	d
c5½	Apr. '52	62	66	d
6	Mar. '47	65	69	d
	British Columbia:			
c4	Dec. '37	96	99	4.08
*4½	Jan. '31	99½	102½	4.25
c4½	Oct. '33	99½	102½	4.25
c5	Apr. '34	102½	106½	4.30
5½	Feb. '45	101	105	4.24
6	Feb. '47	103½	107½	4.63
	Manitoba:			
c4	Dec. '37	86	90	4.88
c4½	Dec. '56	88	92	5.22
*5	Dec. '59	93	97	5.28
5½	Oct. '55	95½	99½	5.50
6	Apr. '47	98½	102½	5.54
	Saskatchewan:			
4	Sept. '34	71	75	6.90
4	Nov. '60	70	74	6.27
c4½	Oct. '51	82½	86½	6.30
c4½	Mar. '60	74	78	6.50
5	Aug. '58	78	82	6.74
5½	Oct. '52	82½	86½	7.20
6	Mar. '52	86½	90½	7.23

*—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡—N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Sept. 17, 1940

Industrials:	Bid	Ask.
Acme Farm. D.	21	25
Andian National	29½	32
Anglo C. Tel., A	8½	9½
Atlas Steel	16	..
Barrymore, pfd.	27	..
Blue T. Brew. A	7	..
Do., B	4	5½
B. C. Pulp, c.	14	16
Do., pfd.	55	65
B. C. Sugar	75	78
Burns & Co., A	4	5½
Do., B	3	4
Can.-Col. Air.	3	5
C. I. L., A c.	210	..
Can. Ing. Rand	72	76
Can. Tube, 1st p	70	75
Chase, A. W., p.	17	19
Claude Neon, p.	5½	7
Colonial Steam.	15	17
Cope. Flour un.	14	17
Dom. Manuf., p.	60	65
Dover Indust.	7½	..
Dunlop T. p. $25	22	23½
Easy Wash p $10	7½	9
Goderich Elev.	7	8
Guard. Realty p	16	19
Guelph Carp., p	98½	102
Do., com.	16	19
Gurney Fdry., p	1½	1½
Hayes Steel, c.	9	10
Hi'land Dairy, p	48½	52½
Inglis, John, c.	5	7
Ingram & Bell	21	25
Kingston Sh. un	22	24
Loblaw Inc., c.	12	13
Morrison Br. un.	5	7

	Bid	Ask.
M'row Screw, p.	98½	..
Do., com.	9½	..
Neilson, Wm., c.	9	..
Do., pfd.	100	..
N. B. Tel., c.	12	14
N. Meth. Ldy., p	52	58
Niag. L. A. Br.	50	..
Ont. Tobacco, p.	12	..
Paterson Wm. p	100	..
Prov. Paper, pfd	101	103
Ruddy, E. L., p.	24	27
Seal O Sac (Can.)	½	1½
Stand. Fuel, p.	54	62
Stedman, pf. $50	55	58
Tor. Carpet, c.	29	32½
Do., pfd.	62	65
Un. F. Co-op.	2	3
Un. Steel, A pf.	22	23½
Viceroy p. & rts	25	..
Trusts & Loan Stocks:		
Brit. Mtge.	121	..
Capital Trust	26	30
Com. Fin., c.	2½	3
Grey & B. Tr $50	43	46
Guaranty Trust	97	101
Guelph & C. $50	52	55
Lambton Loan	32½	34
London & West.	35	40
Sherbrooke Tr.	120	..
Sterling Trust	57	..
Traders Fin. A c	9½	11
Do., A pfd.	77	82
Trusts & Guar.	24	25
Victoria Trust	71	80
Insurance Stocks:		
Brit. Amer.	52½	57
Canada Life	400	430

	Bid	Ask.
Confed. 30% pd.	130	138
Crown fully pd.	230	270
Dominion Fire	132	..
D. of Can. Gen.	100	111
Empire 25% pd.	5	6
Excelsior 36% pd	57	62
Federal 25% pd.	30	38
Great-West Life	205	225
Imperial Life	280	297½
Manufac. Life	325	345
Sov. L. 25% pd.	11½	14
Sun Life	350	400
Tor. General	5	5½
Wellington Fire	58	..
Western Assce.	40	43
Do., pref.	40	43½
Theatre Stocks:		
Allens, King., p.	62	66
Do., Lond., p.	53	58
Do. St. Cath. p	50	54
Do., Tor., p.	31	35
Mansf. Theat., p	28	31
Para., Kitch., p.	51	53
Do., Oshawa c	9½	11
Investment Trust Shares:		
Can. Investors	4	5
Deb. & Sec., pf.	61	..
Sec's. Hold., pf.	19	22
United Corp., A	17½	18½
Do., B	4½	5½
Power Issues:		
Can. W. N. Gas	26	..
Do., pfd.	98	100
Gt. Lakes Pr., p.	99½	103
Mtl. Is. Pwr. p.	20	..
Nor. Ont. Pr., p.	78	87

Unlisted Mines

Toronto, Sept. 17, 1940

	Bid	Ask
Acordia	.24	.24½
Addington	.01½	.02
Albany R	.08	.10
Amal Kir	.04½	.05½
Anoki	.06½	.07½
Arjon	.01½	.02½
Armistice	.01½	.02½
Argosy	.05½	.06½
Area	.03	.03½
Arno	..	.01½
Athona (Old)	.01	.02
(New)	.02	.03
Barb Lard	.01½	.02½
Brock	.18	.20
Bilmac	.00½	.01½
Buff Bear	.01	.02
Bonetal	.27	.32
Calder Bo	.02	.04
Central M	.02	.03
Cheminis	.02½	.03
Coin Lake	.02½	.03½
Cons Chib	.03½	.05
Crescent	.00½	.01½
Dayton	.01½	.03
Demp Cad	.01	.01½
Desants n	.12	.14

	Bid	Ask
Dona Pat	.02½	.03½
E Lacoma	.00½	.01
Elmos	.05	.08
Franco	.27	.30
Galore	.02	.03
Gate Pat	.00½	.01
Gilbec	.00½	.01
Gord Leb	.00½	.01½
Hiawatha	.05	.08
Hoyle nw	.19	.22
Hugh PaP	.04½	.05½
Hutch Lke	.01½	.02½
Jolliette	.01½	.02½
Keora	.01	.02
Kenricia	.01½	.02½
Kewaga'a	.01	.02
Kiena	.07	.09
Kirk Gate	.01	.02
Lacoma	.00½	.01½
Lake Duf	.20	.22
Lake Gen	.05	.10
Lw Pete	.15	.20
Magnet C	.83	.86
Magnet L	.16	..
Magwell	..	.03
Martin Br	.02½	.03½
Margaret	.02	.05

	Bid	Ask
Mata Can	.03	.05
Mof Hl n	..	.02
Mooshla	.02	.02½
Mosher	.06½	.07½
Monarch	.01½	..
Nat Mal	.37	.40
Negus	.55	.65
Nickel O	.70	.85
Norbeau	.14	.19
Norlake	.01	.02
North Am Moly'm	..	.17
Norwin	.07	.09
Oklend	.06½	.08
O'Leary	.01½	.01½
Opemiska	.02	.04
Oriole	.01	.01½
Orpit	.01	.02
Ossian	.01	.02
Pacsack	..	.06
Pascalis	.25	.30
Phoenix	.02	.03
Pont R (Old)	.03	.05
Pelangio	.01½	.02½
Polaris	.19	.22
Propri'y	1.70	1.90

	Bid	Ask
Presdor	.03½	.04½
Queb Man	.05½	.07
Rahn Lke	.02	.03
Rand Mal	.09	.11
Red Lake	.01½	.03
Sachigo	1.00	2.00
Senore	.08	.09
Shenango	.02½	.03
Sheldon	.03½	.05
Siscoe Ex	.01½	.02½
Skynner	.04	.06
Smelters Gld	.00½	.00½
Spooner	.03	.05
Sunbeam	.03	.04½
Springer	.04	.05
Stadacona	.06	.08
Thomson	.09	.11
Thomp Cd	.03	.05
Treaty P	..	.23
Union Min	.03	.04
Wasu	.04	.06
West Red	.02	.03
Winoga cum rts	.02	.03
Woco	.03	.06
Y David'n	.21	.23

Montreal, September 17, 1940

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Cad Exp	.02	.04	Cournor	.10	..	Obalski	..	.03	Scott Ch	.02½	.03½
Chibmac	..	.02	Dubisson	.07	..	Pan Can	.04	.06	Westwd C	.01	.02
C Pand'ra	..	.02	L Rowan	.02	.04						

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Sept. 17, 1940

Public Utility Issues:	Int. Rate %	Due	Bid Sept. 17	Asked	Bid Sept. 10
†Assoc. Tel. & T.	5½	'55	74½	77½	74½
B. C. Power	4½	'60	97½	100½	97½
B. C. Tel.	4½	'61	103	...	103
†Calgary Pwr.	5	'60	103½	106½	103
Do.	5	'64	101½	...	101
†Can. Nor. Pwr.	5	'53	104½	107½	105½
*Dom. Gas & El.	6½	'45	97½	...	97
Gatineau Pwr.	5	'49	102	105	102
Do., B.	3½	'69	96	99	96
Gt. Lakes Pwr.	4½	'56	96	99	96
*Int. Hydro-E.	6	'44	68	71	67½
▲Inter. Power	6	'55	100	...	100
Macl'n-Que. Pr.	4	'59	94½	...	94
Mtl. L. H. & P.	3½	'56	97½	100½	97½
Do.	3½	'73	95	98	94½
†Mtl. Tramways	5	'41	89½	92½	89½
†Do.	5	'55	62	65	63
Nat. Lt. & Pwr.	6	'49	96	...	95½
N. S. Lt. Pr.	4	'57	98½	...	98½
Ottawa H. & P.	4	'57	98½	...	98½
Ottawa V. Pwr.	5	'59	102	105	102
†Power Corp.	4½	'59	98	101	98
Quebec Pwr.	4	'62	99½	102½	99½
*Saguenay P., A.	4½	'66	104	...	103½
♦Do., B.	4½	'66	102½	...	102½
Shaw. W. & P.	4	'61	100½	103½	100
Union Gas	4½	'50	101	...	100
United Secs.	5½	'52	59½	62½	57½
†Wpg. El., ser. A	4	'65	71	74	71
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	58½	61½	58
Acadia Sugar	4½	'55	98	...	98
†Alta. Pa. Grain	6	'46	96	99	96
Atlantic Sugar	4	'51	98	...	98
†B. C. P. & Pap.	6	'50	82	...	82
*Brown Co.	5½	'46	44½	47½	44
Burns & Co.	5	'58	60½	63½	62
Canada Bread	6	'41	101½	...	101
Canada Cement	4½	'51	103	106	102
Can. Paper	4½	'52	98	...	98
Can. Steamship	5	'57	95	98	94½
Can. Canners	4	'51	100	...	100
*Can. Int. Paper	6	'49	100	103	100
C. P. R.	3½	'51	87	90	87
Do.	4	'49	91	94	91
Do.	4½	'44	96½	99½	96
Do.	6	'42	102½	105½	102½
†Consol. Paper	5½	'61	64	67	63½
Dom. Coal	4½	'52	99½	...	99½
Dom. Stl. & Co.	6½	'55	104½	...	104½
Dom. Tar	4½	'51	99	...	99
†Donnacona P.	4½	'56	80½	83½	80½
Famous Players	4½	'51	99	102	99
†Federal Grain	6	'49	96	99	96
†Fraser Cos.	6	'50	96½	...	96½
Gen. Stl. Wares	4½	'52	97	100	97
*Great L. Paper	5	'55	88½	91½	89½
†Gypsum, Lime	5½	'48	92	...	90½
Ham. By-Pr. C.	5	'55	99	...	99
Inter.-City Bak.	5½	'48	100	...	100
*Inter. P., Nfld.	4½	'68	90	...	90
Lake St. J. P.	5½	'61	88	91	89½
†Maple Leaf M.	3	'58	66	69	65½
Mercury Mills	5	'59	89	92	..
Massey-Harris	4½	'54	89½	92½	88½
McColl-Fron.	4½	'49	101	...	100½
McCormick's	4	'52	93½	96½	93½
*M. & O. Paper	6	'45	46½	49½	46
Nat. Grocers	4	'47	100	...	100
N. S. Stl. & Co.	3½	'63	81	...	81
Price Bros.	5	'57	95	98	94½
*Prov. Paper	5½	'47	102	...	102
Reliance Grain	4½	'52	94	...	94
†Restigouche Co.	6	'48	96	...	95½
Rolland Paper	4½	'51	102	...	101½
Simpson's Ltd.	4½	'51	100	103	100½
Smith, Howard	4½	'51	102	...	102
*United Gas	5½	'48	102	...	102
United Gr. Grs.	5	'48	92	...	94
†Western Grain	6	'49	47½	...	50½

*Payable in Canada, or U. S.
†Payable in Can., U. S., or U. K.
▲Payable in Can. or U. K.
°Payable in U. S. only.
♦Payable in Canada only.

Investment Trusts

	Bid	Asked
Affiliated Fund	2.34	2.58
Can. Amer. Trust	2.75	3.50
Can. Inv Fund	3.45	3.85
All Can. Trustee	10.20	10.93
Grouped Income	....	5.25
Trans-Canada Shs.	10.95	11.95

Mining Dividends

	Rate	Close Sept. 16	Yield %
Beattie Gold	‡12c	.90	..
Bralorne	80c+40c	9.85	*12.2
Broulan Porc.	3c	.63	..
Buffalo Ankerite	‡31c	3.50	..
Bulolo Gold	$3	15.50	19.3
Can. Malartic	‡6c	.50	..
Cariboo Gold	16c+6c	2.15	*10.2
Central Patricia	16c+7c	1.80	*12.8
Coniagas	‡25c	1.30	..
Coniaurum	16c	1.32	12.1
Cons. Smelters	$1+$1	38.25	*5.2
Delnite	†3c	.59½	..
Dome Mines	$2	21.37	9.3
East Malartic	‡20c	3.10	..
God's Lake	2½c	.35	..
Gold Belt	†2c	.23	..
Gunnar Gold	‡3c	.37	..
Hallnor	60c	5.25	11.4
Hard Rock	‡9c	.80	..
Hedley Mascot	‡6c	.50	..
Hollinger	65c+45c	11.75	*9.3
Howey Gold	‡2c	.26	..
Hudson Bay	$1.75	26.00	6.7
Inter. Nickel, com.	$2	36.50	5.5
Island Mountain	‡8c	.80	..
Kerr Addison	‡10c	2.60	..
Kerr Lake	‡5c	.28	..
Kirkland Lake	10c+2c	.93	*12.9
Kootenay Belle	‡10c	.26	..
Lamaque Gold	40c+10c	5.00	*10
Lake Shore	$2	21.50	9.3
Leitch	8c	.56	14.3
Little Long Lac	30c	2.10	14.2
Macassa	32c	3.30	9.6
Madsen R. Lake	†3c	.39	..
McGillivray Coal	3c	.25	..
McKenzie Red L.	12c+2c	.94	*14.9
McWatters	10c	.29	..
Moneta	12c	.80	*8.5
McIntyre Porc.	$2+$1	46.00	..
MacLeod-Cockshutt	†10c	2.16	..
Nipissing	15c	1.00	..
Noranda	$4	55.00	7.3
North Empire	‡40c	7.25	..
O'Brien Gold	‡10c	.95	..
Pamour Porc.	12c	1.05	11.4
Pato Cons.	20c	2.35	..
Paymaster	2c	.23	..
Perron Gold	16c+4c	1.60	*12.5
Pioneer, B. C.	40c	2.25	17.7
Pickle Crow	40c	2.70	14.8
Placer Develop.	$1.20	9.00	13.3
Premier	12c	1.00	12
Preston E. Dome	20c	1.87	..
Privateer Mine	‡13c	.43	..
Powell Rouyn	20c	.80	..
Quebec Gold	‡2c	.20	..
Relief Arlington	†3c	.02½	..
San Antonio	14c+3c	1.90	*8.9
Sheep Creek	16c+3c	1.00	*19
Sherritt Gordon	†5c	.68	..
Silbak Premier	16c	.80	20.0
Siscoe	12c+1c	.62	*20.9
Sturgeon River	†2c	.12½	..
Sudbury Basin	2½	1.00	..
Sullivan Cons.	‡6c	.30	..
Surf Inlet	†1½c	.08	..
Sylvanite Gold	20c+5c	2.30	*13.0
Teck-Hughes	40c+5c	3.25	*12.9
Toburn	8c+8c	1.25	..
Upper Canada	†3c	.87	..
Ventures	15c	2.30	..
Waite Amulet	†10c	3.35	..
Wright-Harg.	40c+30c	6.25	*11.2

*Yield including bonus. †Initial.
‡Paid or payable in 1940 to date.

Municipal Bonds

Sept. 17, 1940

†Halifax	5	1961	104.00	108.00	4.42
Hamilton	5	1950	110.25	112.25	3.50
Montreal	5	1945	92.00	95.00	6.28
Ottawa	4½	1945	104.15	106.15	3.10
†Quebec	5	1959	104.00	108.00	4.38
Saint John	5	1950	101.00	104.00	4.31
†Toronto	4½	1955	107.50	110.00	3.61
†Vancouver	5	1950	96.00	100.00	3.99
Winnipeg	5	1944	99.00	102.00	4.37

†Payable Can. and N.Y.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp	6%	1942	Dec. 31	100
Wood, A. & J.	‡6%	1944	Sept. 30	103
Can. Pac. Rly.	2½%	1941	Oct. 1	100½
Canada Cement	3½%	1941-4	Nov. 1	101

Drawn by lot: ‡$26,500.

Stock Redemptions:
Cosmos Imperial 5% 1st pf. Oct. 1 *105
*Plus accrued dividends from July 1, 1940.

Annual Meetings

Company	Place
1940: Sept. 17—Lake Shore Mines	Kirkland Lake
Sept. 20—Elmos Gold Mines*	Toronto
Sept. 23—Wendigo Gold*	Toronto
Oct. 9—South Am. Gold & Plat.	N.Y.
Oct. 23—Calgary & Edm. Corp.	Winnipeg
Dec. 5—Alexandra Apts.†	Toronto

*Special. †Bondholders.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, pf.	$1.75	Oct. 1	Sept. 16
Alta. W. Pres., p.	$1.75	Oct. 1	Sept. 25
Asbestos Corp.	15c	Sept. 30	Sept. 14
Do., bonus	15c	Sept. 30	Sept. 14
Assoc. Brew.	25c	Sept. 30	Sept. 14
Do., pref.	$1.75	Oct. 1	Sept. 14
Amer. Cyan., A, B	†15c	Oct. 1	Sept. 12
Do., pref.	†12½c	Oct. 1	Sept. 12
Biltmore Hats	15c	Oct. 15	Sept. 30
B.C. El. P. & G., p.	$1.50	Oct. 1	Sept. 20
Brit. Am. Oil	25c	Oct. 1	Sept. 12
Bralorne Mines	20c	Oct. 15	Sept. 30
Do., extra	10c	Oct. 15	Sept. 30
Brant. Cordage, p.	32½c	Oct. 15	Sept. 20
Bell Telephone	$2	Oct. 15	Sept. 23
Belding Cort.	$1	Oct. 1	Sept. 14
Do., pref.	$1.75	Oct. 1	Sept. 14
Burlington Steel	15c	Oct. 1	Sept. 16
B. C. Power, A	50c	Oct. 15	Sept. 30
Brazilian Tr. pf.	$1.50	Oct. 1	Sept. 14
Broulan Porc.	3c	Sept. 30	Sept. 16
Bk. of Nova Scotia	$3	Oct. 1	Sept. 14
Brockville Trust	62½c	Oct. 1	Sept. 20
Building Prod.	17½c	Oct. 1	Sept. 19
Canada Bread, pf.	$1.25	Oct. 1	Sept. 20
Do., B pref.	62½c	Oct. 1	Sept. 20
Can. Machinery, pf.	$3.50	Oct. 21	Oct. 1
Canada Cement, p.	$1.25	Sept. 20	Aug. 31
Canada Cycle	30c	Sept. 30	Sept. 16
Do., pref.	$1.25	Sept. 30	Sept. 16
Can. Foundries, A	37½c	Oct. 2	Sept. 15
Coniaurum Mines	■4c	Sept. 25	Sept. 14
Canadian Oil, pf.	$2	Oct. 1	Sept. 20
Can. Pac. Rly., p.■	2%	Oct. 1	Sept. 2
Can. Nor. Power	■23c	Oct. 25	Sept. 30
Do., pref.	■$1.75	Oct. 15	Sept. 30
Can. Canners	12½c	Oct. 1	Sept. 14
Do., pref.	25c	Oct. 1	Sept. 14
Do., partic.	5c	Oct. 1	Sept. 14
Do., 2nd pref.	15c	Oct. 1	Sept. 14
Do., partic.	5c	Oct. 1	Sept. 14
Can. Bk. of Comm.	$2	Nov. 1	Sept. 30
Canada Iron	$1.50	Nov. 1	Oct. 15
Do., pref.	$3	Nov. 1	Oct. 15
Can. Fairbanks, pf	$1.50	Oct. 15	Sept. 30
Carnat'n Co., 1st p	†$1.25	Oct. 1	Sept. 18
Cent. Can. Loan	$2	Oct. 1	Sept. 17
Celanese of Amer.	†25c	Oct. 15	Sept. 17
Do., stock div.	°	Dec. 10	Oct. 11
Do., prior pf.	†$1.75	Oct. 1	Sept. 17
Do., prior pf.	†$1.75	Jan. 1 '41	Dec. 17
Do., part. pfd.	†$3.50	Dec. 31	Dec. 17
Coronation Rylts.	1½c	Sept. 30	Sept. 20
Can. Cottons	$1	Oct. 1	Sept. 13
Do., pref.	$1.50	Oct. 1	Sept. 13
Central Patricia	4c	Sept. 28	Sept. 14
Do., extra	1c	Sept. 28	Sept. 14
Calgary & Edm.	■10c	Sept. 30	Aug. 31
Cariboo Gold	4c	Oct. 1	Sept. 4
Do., extra	2c	Oct. 1	Sept. 4
Can. Celanese c.	25c	Sept. 30	Sept. 16
Do., extra	50c	Sept. 30	Sept. 16
Do., pref.	$1.75	Sept. 30	Sept. 16
Can. Gen. Elec.	$2	Oct. 1	Sept. 14
Can. Perm. Mtge.	$2	Oct. 1	Sept. 14
Can. For. Invest.	70c	Nov. 1	Oct. 15
Do., pref.	$2	Oct. 1	Sept. 15
Can. Wire Box A	37½c	Oct. 1	Sept. 16
Candn. Ind., A, B.	$1.75	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Chartered Trust	$1	Oct. 1	Sept. 16
Comm. Alcohols, p.	10c	Oct. 15	Sept. 30
Confed. Life	$1.50	Sept. 30	Sept. 25
Can. West'house	37½c	Oct. 1	Sept. 14
Canada Packers	75c	Oct. 1	Sept. 16
Can. Breweries, p.	75c	Oct. 1	Sept. 16
Consumers' Gas	$2.50	Oct. 1	Sept. 14
Dominion Bank	$2.50	Nov. 1	Oct. 19
Dom. Glass	$1.25	Oct. 1	Sept. 16
Do., pref.	$1.75	Oct. 1	Sept. 16
Dominion Coal, p.	37c	Oct. 1	Sept. 14
David & Frere A	25c	Sept. 30	Sept. 16
Dominion Tar pfd.	$1.37½	Nov. 1	Oct. 14
Dom. Textile	$1.25	Oct. 1	Sept. 14
Do., pref.	$1.75	Oct. 15	Sept. 30
Dom. Fdry. & Stl. c.	25c	Oct. 1	Sept. 20
Dome Mines	50c	Oct. 21	Sept. 30
Eastern Steel, p.	25c	Oct. 1	Sept. 16
Economic Invest.	■62½c	Oct. 1	Sept. 21
East. Can. Sav.	$1.50	Oct. 1	Sept. 20
Eastern Trust	$2	Oct. 1	Sept. 20
Fanny Farmer	†37½c	Oct. 1	Sept. 16
Frontier Rylts.	1c	Sept. 30	Sept. 20
Famous Players	25c	Sept. 27	Sept. 17
Ford Motor, A, B	25c	Sept. 28	Sept. 7
Foundation Co.	25c	Oct. 18	Sept. 30
Gatineau Pwr.	20c	Sept. 30	Aug. 31
Do., 5½% pref.	$1.37	Oct. 1	Aug. 31
Do., 5% pref.	$1.25	Oct. 1	Aug. 31
Gt. L. Pap. p, A B	■25c	Oct. 1	Sept. 10
Gt. West Life	$3.75	Oct. 1	Sept. 20
Greening Wire	15c	Oct. 1	Sept. 16
Goodyear Tire	62c	Oct. 1	Sept. 14
Do., pref.	62½	Oct. 1	Sept. 14
Gould Pumps, pf.	†$1	Oct. 1	Sept. 20
Gt. L. Power, pf.	$1.75	Oct. 15	Sept. 30
Guaranty Trust	$1.25	Oct. 15	Sept. 30
Guysborough Mines	■2½c	Oct. 21	Oct. 10
Hollinger Cons.	5c	Oct. 7	Sept. 23
Do.	5c	Oct. 7	Sept. 23
Howe Sound	†75c	Sept. 30	Sept. 20
Honey Dew	50c	Oct. 1	Sept. 25
Hinde & Dauch	12½c	Oct. 1	Sept. 14
Huron & E. Mtg.	1%	Oct. 1	Sept. 14
Do., 20% paid	20c	Oct. 1	Sept. 14
Ham. Cottons, pfd.	50c	Oct. 1	Sept. 14
Do., arrears	25c	Oct. 1	Sept. 14
Hamilton Un. Th.	$1.25	Sept. 30	Aug. 31
Imperial Tob.	10c	Sept. 30	Sept. 6
Do., pref.	3%	Sept. 30	Sept. 6
Inter. Nickel	†50c	Sept. 30	Aug. 31
Indust. Accept., A	50c	Sept. 30	Sept. 16
Do., pref.	$1.25	Sept. 30	Sept. 16
Int. Pap. & P., p.	†$1.25	Sept. 28	Sept. 20
Inter. Power, pfd.	$1.75	Oct. 1	Sept. 14
Invest. Found., p.	75c	Oct. 15	Sept. 30
Do., arrears	*25c	Oct. 15	Sept. 30
Inter. Nickel, pf.	†$1.75	Nov. 1	Oct. 2
Imperial Bank	$2.50	Nov. 1	Sept. 30
Inter. Milling, p.	†$1.25	Oct. 15	Sept. 28
Jam. Pub. Ser.	17c	Oct. 1	Sept. 24
Do., pref.	$1.75	Oct. 1	Sept. 24
Kerr Addison Gold	5c	Oct. 15	Sept. 28
Kirkland L. Gold	5c	Nov. 1	Sept. 30
Do., extra	1c	Nov. 1	Sept. 30
Lang, J. A.	17½c	Oct. 1	Sept. 15
Lamaque Gold	10c	Oct. 1	Sept. 10
Landed Bank	$1	Oct. 1	Sept. 14
Marcus Loews, p.	$1.75	Sept. 30	Sept. 21
Do., arrears	$1.75	Sept. 30	Sept. 21
McColl-Fron. pf.	$1.50	Oct. 15	Sept. 30
Moore Corp.	†50c	Oct. 1	Sept. 10
Do., A, B, pref.	†$1.75	Oct. 1	Sept. 10
Mitchell, J. S. pf.	$1.75	Oct. 1	Sept. 16
Mtl. C. & D. Sav.	$3	Oct. 1	Sept. 14
Maple L. Gard., p.	70c	Oct. 15	Oct. 1
Moneta Porc.	3c	Oct. 15	Sept. 30
Mtl. L. H. & Pwr.	37c	Oct. 31	Sept. 30
Niag. W. Weav.	50c	Oct. 1	Sept. 17
North. Mortgage	•$1.50	Sept. 14	Sept. 6
Nat. Breweries	50c	Oct. 1	Sept. 16
Do., pref.	44c	Oct. 1	Sept. 16
Nor. Ont. Pwr.	■30c	Oct. 25	Sept. 30
Do., pref.	■$1.50	Oct. 25	Sept. 30
National Grocers p.	37½c	Oct. 1	Sept. 14
Nat. Steel Car	50c	Oct. 15	Sept. 30
Nat. Biscuit	†40c	Oct. 15	Sept. 10
N. S. Light Pr. ord.	$1.50	Oct. 1	Sept. 16
National Trust	$2	Oct. 1	Sept. 20
North Star Oil, p.	8¾c	Oct. 1	Sept. 16
Ogilvie Flour, c.	25c	Oct. 1	Sept. 18
Ontario Loan	$1.25	Oct. 1	Sept. 16
Ottawa Light	25c	Oct. 1	Aug. 26
Do., pref.	$1.25	Oct. 1	Aug. 26
O'Brien Gold	5c	Sept. 28	Sept. 12
Petrol Oil	■2c	Oct. 1	Sept. 14
Pioneer Gold	10c	Oct. 1	Aug. 31
Pickle Crow G.	10c	Sept. 30	Sept. 16
Porto Rico Pr., pf.	$1.75	Oct. 1	Sept. 14
Preston E. Dome	5c	Oct. 15	Sept. 30
Power Corp., p.	$1.50	Oct. 15	Sept. 30
Do., 2nd pref.	75c	Oct. 15	Sept. 30
Premier Gold	3c	Oct. 15	Sept. 16
Page Hersey	$1.25	Oct. 1	Sept. 16
Para. Pictures	†15c	Oct. 1	Sept. 16
Do., 1st pref.	†$1.50	Oct. 1	Sept. 17
Do., 2nd pref.	†15c	Oct. 1	Sept. 17
Price Bros., p.	$1.37½	Oct. 1	Sept. 21
Prairie Rylts.	1c	Sept. 30	Sept. 20
Prov. Paper, pf.	$1.75	Oct. 1	Sept. 15
Riverside Silk	50c	Oct. 1	Aug. 13
Remington Rand	20c	Oct. 1	Sept. 10
Do., pref.	$1.12½	Oct. 1	Sept. 10
Russell Ind.	20c	Sept. 30	Sept. 16
Do., pref.	$1.75	Sept. 30	Sept. 16
Sangamo	■50c	Sept. 30	Sept. 25
Siscoe Gold	3c	Sept. 16	Aug. 16
Sylvanite Gold	†5c	Sept. 30	Aug. 17
Silverwoods, pf.	20c	Oct. 1	Aug. 31
Simon & Sons	15c	Sept. 28	Sept. 14
Do., pref.	$1.75	Sept. 28	Sept. 14
Smith H. Pap. pf.	$1.50	Oct. 15	Sept. 30
Stedman Bros. pfd.	75c	Oct. 1	Sept. 20
Do., com.	15c	Oct. 1	Sept. 20
Stand. Steel, p.	75c	Oct. 1	Sept. 16
Saguenay Pr., pf.	$1.37½	Nov. 1	Oct. 15
Stand. Fuel, p.	$1	Oct. 1	Sept. 16
South. Can. Pr., p.	$1.50	Oct. 15	Sept. 20
Sheep Creek G.	4c	Oct. 15	Sept. 30
Do., extra	1c	Oct. 15	Sept. 30
Sun Life	$3.75	Oct. 1	Sept. 14
Simpsons, pref.	$1.62½	Nov. 1	Oct. 17
Sher. Williams, pf.	$1.75	Oct. 1	Sept. 15
Do., arrears	$1.75	Oct. 1	Sept. 15
Tip Top Tailors	15c	Oct. 1	Sept. 20
Do., pref.	$1.75	Oct. 1	Sept. 20
Tuckett Tob., pf.	$1.75	Oct. 15	Sept. 30
Tor. Gen. Trusts	$1	Oct. 1	Sept. 14
Toronto Mortgage	$1.25	Oct. 1	Sept. 14
Tamblyn	20c	Oct. 1	Sept. 14
Do., pref.	62½c	Oct. 1	Sept. 14
Teck-Hughes	■10c	Oct. 1	Sept. 10
Do., bonus	■5c	Oct. 1	Sept. 10
Tor. Gen. Trusts	$1	Oct. 1	Sept. 14
United Fuel, A., p.	75c	Oct. 1	Sept. 20
Viau, pref.	$1.25	Oct. 1	Sept. 20
West. Grocers	75c	Oct. 15	Sept. 20
Do., pref.	$1.75	Oct. 15	Sept. 30
Wabasso Cotton	50c	Oct. 1	Sept. 21
Weston, Geo., c.	20c	Oct. 1	Sept. 12
Wr. Hargreaves	†10c	Oct. 1	Aug. 22
Do., bonus	†5c	Oct. 1	Aug. 22
Wilsil	25c	Oct. 1	Sept. 14

†Payable in U. S. funds ‡Initial.
■Subject to approval by Foreign Exchange Control Board.
°One share for each 30 common shares held.
•Co. in liquidation; $40 of capital repaid, leaving $10 of which $5 is fixed and $5 is distributable.
*Final payment on arrears.

DIVIDEND NOTICES

The Canadian Bank of Commerce
Dividend No. 215

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st October, 1940, and that the same will be payable at the Bank and its Branches on and after Friday, 1st November next, to shareholders of record at the close of business on the 30th September, 1940. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.

Toronto, 12th September, 1940.

The Dominion Bank
Dividend No. 232

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up Capital Stock of this Institution has been declared for the Quarter ending 31st October, 1940, making a total distribution of ten per cent for the fiscal year. The Dividend will be payable at the Head Office of the Bank and its Branches on and after Friday, the first day of November, 1940, to shareholders of record of the 19th October, 1940.

By Order of the Board,
ROBERT RAE,
General Manager

Toronto, 12th September, 1940.

Canada Machinery Corporation, Limited
DIVIDEND NOTICE

Notice is hereby given that the Directors of Canada Machinery Corporation, Limited, have declared a dividend of 3½% on the Preference shares of the Company for the half-year ended July 31st, 1940, payable October 21st, 1940, to shareholders of record at the close of business October 1st, 1940.

By order of the Board.
J. G. GIBSON,
Secretary.

Dated at Toronto, Sept. 11th, 1940.

The B. Greening Wire Company Limited
Common Dividend No. 12

NOTICE IS HEREBY GIVEN that at a properly constituted meeting of the Directors of The B. Greening Wire Company, Limited, duly called and held on August 27th, 1940, a dividend of Fifteen cents per share on the Common Shares of the Company was declared payable October 1st, 1940, to shareholders of record September 16th, 1940.

F. J. MAW,
Secretary.

Hamilton, Ont., September 10, 1940.

Honey Dew Limited
Dividend Notice

Notice is hereby given that a dividend of fifty cents (50c) per share, on the outstanding capital stock of the Company, has been declared, payable on the first day of October, 1940, to shareholders of record at the close of business on the 25th day of September, 1940.

By Order of the Board.
R. G. McMULLEN,
Secretary.

Toronto, Ontario,
September 16, 1940.

Biltmore Hats Limited

Resolved that a dividend of fifteen cents per share on the outstanding common shares of the Company be paid on the 15th day of October, 1940, to shareholders of record on the 30th day of September, 1940, at 3 p.m. and that the said Secretary-Treasurer of the Company be and he is hereby authorized and instructed to give due notice of such dividend and to pay same when due.

By Order of the Board.
WM. F. FRANKE,
Secretary.

Dated at Guelph this 12th day of September, 1940.

Guysborough Mines LIMITED
25 King Street West, Toronto

DIVIDEND NO. 2

NOTICE IS HEREBY GIVEN that a dividend of 2½ cents per share has been declared by the Directors of Guysborough Mines Limited, payable in Canadian funds on October 21st, 1940, to shareholders of record October 10th, 1940.

Payment of this dividend is, under present conditions, subject to obtaining the approval of the Foreign Exchange Control Board.

By Order of the Board.
H. WHITTINGHAM,
Secretary-Treasurer.

September 11th, 1940.

Moneta Porcupine Mines Limited
(No Personal Liability)

DIVIDEND NO. 9

NOTICE is hereby given that a dividend of three cents per share has been declared by the Directors of Moneta Porcupine Mines Limited (No Personal Liability) payable in Canadian funds on October 15th, 1940, to Shareholders of record September 30th, 1940.

By order of the Board.
H. B. CLEARIHUE,
Secretary-Treasurer.

Toronto, Ontario,
September 12th, 1940.

THE WABASSO COTTON COMPANY, LIMITED
NOTICE OF DIVIDEND

A Dividend of Fifty Cents (50c) per share has been declared on the Capital Stock of The Wabasso Cotton Company, Limited, payable 1st October, 1940, to the shareholders of record as at close of business on 21st September, 1940.

By order of the Board,
H. W. CAPEL,
Secretary-Treasurer.

Montreal, 12th September, 1940.

WANTED

Dominion Woollens 6/53
General Brock Hotel 3/54
Lombard Realty 2½% with stock
McCormick's Ltd. 4/52
Maple Leaf Milling 3/58
Silverwood Dairies 6/66
Sterling Coal 6/45
Stop & Shop 6/47
Western Grain 6/49

A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

Canada Underwriting B. C. Apple Crop

Again Shows British Markets Vital to Economy of Pacific Coast

From Our Own Correspondent

VANCOUVER.—The essential role that the British market plays in British Columbia's export economy was again emphasized this week when the Canadian Government announced that it had placed the province's apple industry under the War Measures Act and would underwrite 85% of the three-year average export to the British Isles.

In the past, about half the entire production of British Columbia's apple industry has been sold to the United Kingdom, and war conditions threatened to cut into the growers' revenue. The Canadian Government has agreed to guarantee payment in the belief that most of the export pack will ultimately be disposed of in the British market.

Without the British outlet and Ottawa's guarantee, the fruit business west of the Rockies would have been in a bad way, even though it has completed arrangements for selling a larger proportion of the pack than usual to the domestic market and countries such as South America and South Africa.

Disposal of the fruit crop is only one of many instances where the British market has proved the mainstay of British Columbia's vital export-revenue, even in wartime.

Applies Also to Salmon

Only a few days ago fish packers of this province announced that their major worries had been removed for this year by the fact that British buyers were placing orders in the usual way for salmon. Early this summer there were grave fears that Britain would regard salmon as a luxury and concentrate on other foods, but in spite of the fact that B. C. salmon is higher in price than salmon from Japan and the United States, Britain is still buying here, enabling Canada's biggest fishery province to continue normal operations, with employment for several thousands in the canneries and at sea.

Salmon isn't the only fish being sold in the United Kingdom this year on a large scale. The pack of canned herring in British Columbia has grown phenomenally this year, and the British market is alone responsible. Next year the herring industry alone may contribute four or five million dollars to the B. C. fisheries revenue.

Bombing Boosts Demand

More familiar to general business has been the part that the British market has played in B. C.'s lumber trade. Ever since war began the United Kingdom has been the major buyer of B. C. lumber, and the bombardment of London and other cities has incidentally created a continuing demand that will probably last for years. Up till now most of the lumber to Britain in the past year has been for military, naval and air force construction. In future it will be for general restoration of ravaged cities, and Britain will doubtless require all the lumber that B. C. can supply for a long time.

Out of a total lumber export to overseas countries in August amounting to 113 million board feet, the United Kingdom took 104 million feet. Most of the other lumber exported went to other British countries—Australia and South Africa.

British demand has also been the greatest single stimulus to base metal production in British Columbia since the war broke out, and all lead and zinc which the great mines and smelters of the Kootenay country have yielded over and above domestic needs have gone to the United Kingdom.

Start Building New Hotel

Contract for erection of the $1.3 million hotel to be built in downtown Ottawa by the Ford Hotels Co. has been awarded to Wilson Contractors Co. of Ottawa, and work will start shortly. Subcontract for the structural steel has gone to Dominion Bridge Co. The building will be stone faced and vary in height from eight to 11 stories. The Ford Hotel chain, with headquarters in Rochester, N.Y., already operates hotels in Toronto and Montreal.

DIVIDEND NOTICES

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the one hundred and twelfth and one hundred and thirteenth quarterly dividends of one and three-quarters per cent. (1¾%), each, being at the rate of seven per cent. (7%) per annum for each of the quarters ending May 31, 1939, and August 31, 1939, on the Preferred stock of the Company has been declared payable to Shareholders of record the 15th day of September, 1940, and that cheques will be mailed October 1, 1940.

Books not closed.
By order of the Board.
P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que.,
September 4th, 1940.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable October 1st, 1940, to Shareholders of Record as at close of business September 15th, 1940, in Canadian Funds.

W. S. BARBER,
Secretary-Treasurer.

The Toronto Mortgage Company
Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st October, 1940, to Shareholders of record on the books of the Company at the close of business on 14th instant.

By order of the Board,
WALTER GILLESPIE,
Manager.

5th September, 1940.

DIVIDEND

CHARTERED TRUST AND EXECUTOR COMPANY

Notice is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending September 30th, 1940, payable October 1st, 1940, to shareholders of record at the close of business September 16th, 1940.

By order of the Board.
E. W. McNEILL,
Secretary.

Dated at Toronto,
August 8th, 1940.

Falconbridge Nickel Mines Limited
NOTICE

Directors of Falconbridge Nickel Mines Limited today again resolved to omit the usual quarterly dividend —the one normally payable at the end of September.

As forecast in the last notice — dated May 28, 1940 — the position in the third quarter of the year has shown steady operation on the reduced scale notified, but delays in effecting sales and collections overseas have deferred realizations into the last quarter of the year. Notwithstanding, the cash position of the Company maintains its strength.

Issued on behalf of the Board.
J. GORDON HARDY,
President.

11th September, 1940.

Hollinger Consolidated Gold Mines Limited
DIVIDEND NUMBER 336
EXTRA DIVIDEND NUMBER 65

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 7th day of October, 1940, to shareholders of record at the close of business on the 23rd day of September, 1940.

Dated the 14th day of September, 1940.

I. McIVOR,
Assistant-Treasurer.

Guaranty Trust Company of Canada
QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of 1¼%, being at the rate of 5% per annum, on the paid-in capital stock of the Company has been declared for the quarter year ending September 30th, 1940, payable October 15th, 1940, to shareholders of record at the close of business September 30th, 1940.

By Order of the Board.
J. WILSON BERRY,
General Manager.

Hayes Steel Net And Sales Up

Hayes Steel Products Ltd. is expected to report substantial increase in gross income, and moderate improvement in net profits after taxes, when its report for the seven months ended July 13, 1940, appears. Because of change in the company's year end, this report will cover a shorter period.

It is understood that liquid position of the company has also improved, though this may not be reflected so much in actual cash assets, due to amounts required to finance current business.

Thus, in spite of improvement shown, it is not considered likely that an immediate consideration will be given to a dividend on the common stock. A loan of $75,000 was negotiated earlier in the year to assist with redemption of the preferred stock

Commodities

Commodity markets while still irregular are showing a stronger tone. Three of the weekly indices of spot commodity prices are higher with one lower. Dow Jones index of future commodity prices was down slightly.

Among the factors mentioned as tending to bring about a former market in most commodities in both Canada and the United States are:

United States Government loans on the more important agricultural commodities such as wheat, corn, cotton, etc., tending to delay declines.

Belief that the United States armament programme will very shortly be reflected in demand for various raw materials, including metals and agricultural products.

On the Canadian markets cattle and hog prices were slightly firmer, largely owing to demand for beef and bacon for army purposes. The United Kingdom, moreover, has doubled its imports of bacon in recent weeks, practically clearing out Canada's surplus storage stocks.

COMMODITY PRICES

	Latest week	Previous week	Same week last yr.
Cattle	$9.00	$9.00	$8.25
Hogs	9.85	9.75	9.50
Copper, lb.	.11½	.11½	.12½
Cotton, lb.	.0981	.0977	.0920
Rubber, lb.	.1919	.1937	.2225
Sugar, raw, lb.	.0270	.0270	.0369
Silk, lb.	2.55	2.62	3.15½
Wheat, Man. (bu.)	.73⅛	.73	.76⅝
Coffee, lb.	.05⅛	.05⅛	.05¼
Hides	.12	.11¾	.15
Weekly Indices			
Canada (D.B.S.)	82.8	82.7	75.9
Do., Wood, Gundy	65.6	65.2	65.5
U. S. Labor	78.0	77.7	78.4
Dow Jones (future)	51.16	51.49	59.27
Fishers'	81.8	82.0	82.5
Monthly Indices			
Canada (D.B.S.):			
Retail (July)	86.7	86.0	83.1
W'sale (July)	82.4	81.6	72.6
U. S. (June)	77.5	78.4	75.6
Gt. Brit. (June)	134.6	133.7	98.1

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 2 packer light.

Week in Wheat

Higher Delivery Quota Eases Anxiety in West

Easing of Curb on Wheat Movement Distributes Additional $40 Millions on Prairies — Farm Storage Finance Plan Awaited

From Our Own Correspondent

WINNIPEG.—The West is still waiting with some anxiety for announcement from the Dominion Government as to plans for financing wheat which has to remain unsold in storage on farms. But worry has been relieved to some extent by announcement of increase in the wheat delivery quota from five to eight bushels per acre.

That means the distribution in western Canada of approximately $40 millions more than would have taken place under a five bushel quota.

The situation has also been helped by indication of Government intention that some plan of financing farm stored grain will be put into effect, if relief is not afforded by further increases in allowable deliveries, which might come from rapid movement overseas of wheat or flour.

The belief that money from some source will be more freely available before the end of the calendar year increases confidence and prevents ordinary sources of commercial credit from drying up to the full extent that was feared.

Problem Modified

One of the problems certain to arise in financing farm-stored wheat is the basis on which advances should be made. Some degree of selection was implied in any plan of having banks make the advances, including determination of moral risks, as well as the nature of storage provided for wheat on the farm. Now, however, the problem has been modified by enlargement of farm delivery quotas, and some cash, over actual harvest and threshing expenses, is being provided for all farmers. For those reasons it is not unlikely that a plan of bank advances on farm-stored grain may yet be revived. Loans might be limited to farmers approved as risks on grounds of character and record, and provided with approved farm storage facilities. When quotas for deliveries are enlarged again, some preference might be given to farmers who do not obtain loans on farm-stored grain.

Shipments Rise

The Wheat Board's increase in quota deliveries of wheat at all points in western Canada, to 8 bushels per seeded acre, follows elimination of all quotas on deliveries of oats and barley. These originally were set at 5 bushels per acre, the same as the initial quota on wheat deliveries.

A certain measure of relief has also been afforded by enlarged operations of Canadian millers due to the fact that the British demand has shifted largely to flour instead of to wheat. That has both increased the flow of grain down the Great Lakes and has resulted in a larger wheat demand from millers in western Canada.

Further relief has been afforded by the willingness of the railway companies to increase their loadings of cars, which now amount to approximately 1,000 per day in the West instead of the 400 cars per day, formerly allotted to grain shippers. To a large extent such relief is only temporary and in a short time the loading of railway cars must be reduced to the rate at which they can be unloaded, but for the immediate present, to the extent that the volume of wheat in transit by railways has increased, there is an enlargement in available storage capacity.

It has also been found possible to make more effective use of storage capacity than could be figured on a short time ago. The crop is high grade, which means that comparatively little waste space developed from allocation of bins to different grades of wheat. Moreover, it is a crop heavy in test weight per bushel. This means that a given cubic capacity will hold a greater number of bushels measured by weight than if light-weight grain constituted any important fraction of the crop.

At the head of the lakes about 90% of the wheat in store is now No. 1 Northern, with many of the lower grades frequently found having almost completely disappeared.

Take 1939 Grain

The Canadian Wheat Board has now announced its willingness to accept wheat of the 1939 crop. At the beginning of this season officers of the Board took the view that authority to handle 1939 wheat had expired with the ending of the crop year and that only wheat produced in 1940 could now be handled. Some farmers with carried over wheat found themselves in difficulty, as open market buyers for wheat at the pegged price were frequently not to be found.

Now that the Board will accept carried over wheat, part of their trouble is removed. It is still the case, however, that any deliveries made of old wheat apply on delivery quotas, and cut down the quantity of this year's crop which may be delivered.

Nearly all of this year's wheat crop is being delivered by farmers to the Canadian Wheat Board. Most of the wheat sold outside of the Board has been of grades lower than No. 1 Northern. Open market bids for the top grade at the pegged price, which is slightly higher than the Wheat Board initial price, have been comparatively infrequent. On the other hand there has been a good enquiry for lower grades, and it has been possible to sell such limited quantities as farmers had to dispose of without a great deal of delay.

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Mills at Capacity

Canadian mills are now working to capacity and this condition is expected to continue for some time. The British authorities have lately made some large purchases of flour. In addition to supplying such requirements it is anticipated that mills will accumulate flour in Canada to the limit of their storage facilities as an insurance against any possible interruption to milling in Great Britain through bomb damage.

Northwestern Util. Revenue Cut

Gas Receipts to be Reduced 11% If New Rates Approved

From Our Own Correspondent

EDMONTON.—A new schedule of gas rates for Edmonton means an annual saving of $117,214 to natural gas consumers but a loss of this revenue to Northwestern Utilities Ltd., the firm holding the city gas franchise. Revenue to the company under the present structure is about $1.1 million annually, so the reduction means loss of about 11% of receipts. It is proposed that the new rate structure be put into effect in October.

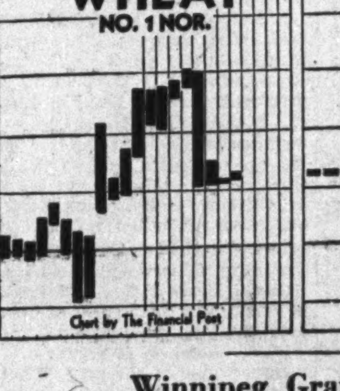
The new schedule will mean an average reduction of 11.15% to all consumers. Basis of the new schedule is $2 minimum charge for the first 4,000 cu. ft. used and 25 cents for each additional cu. ft.

The new rates have been accepted by the city council.

Before the schedule becomes effective it must receive the approval of the provincial board of public utilities commissioners.

At the same time, the city council's by-laws committee recommended the creation of a five-man gas board to pass on the durability of all gas appliances, connections and fittings used in the consumption of natural gas in Edmonton. The board would be made up of a representative from the gas company, one from the master plumbers' union, one from the sheet metal workers' union, one from the city and a fifth to be named by city council.

Wheat Prices



Cash Quotations

	For Week Sept. 17 High	For Week Sept. 17 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.73¼	.73⅛	.73	.72⅞
1 Nor.	.73¼	.73	.73	.72⅞
2 Nor.	.70⅝	.70½	.70⅝	.70⅜
3 Nor.	.68⅝	.67⅝	.67⅝	.66⅞
4 Nor.	.64⅝	.63⅜	.63⅛	.62⅝
5 Wheat	.61⅛	.59⅛	.59⅛	.58⅝
6 Wheat	.58⅝	.56⅝	.56⅝	.56⅝
Feed	.54⅝	.52⅝	.52⅝	.52⅝
Oats:				
2 C. W.	.28⅞	.27¾	.29⅞	.28½
3 C. W.	.26⅝	.25½	.8⅝	.27¼
Barley:				
1 Feed	.35⅝	.33⅛	.33⅛	.32⅛
2 Feed	.34⅞	.32⅝	.32⅝	.31⅝
Flax:				
1 C. W.	1.26¼	1.24½	1.31¾	1.24¼
2 C. W.	1.21¾	1.19¾	1.26	1.19½
Rye:				
2 C. W.	.43⅝	.42⅛	.43¾	.42⅛

Winnipeg Grain Futures

Week to Sept. 17, 1940

Crop year from Aug. 1, 1940 High	Crop year from Aug. 1, 1940 Low		Open Sept. 11	High for week	Low for week	Close Sept. 17	Close year ago
		Wheat					
*.73⅝	.73⅝	Oct.	.73⅝	.73⅝	.73⅝	.73⅝	.76
*.74⅝	.74⅝	Dec.	.74⅝	.74⅝	.74⅝	.74⅝	.77½
		Oats					
.30¾	.27¾	Oct.	.29⅞	.30¾	.29⅞	.30½	.37¾
.28⅝	.25⅝	Dec.	.28	.28⅝	.27⅞	.28⅝	.37⅛
.30	.26⅝	May	.28½	.29¼	.28¼	.29⅛	.37¾
		Barley					
.36¼	.31½	Oct.	.33¾	.36¼	.33¾	.36⅛	.47⅝
.36⅝	.30½	Dec.	.34	.36⅝	.33⅝	.36⅝	.46¾
.37⅝	.33⅝	May	.35¼	.37⅝	.35⅛	.37⅝	.48¾
		Flax					
1.34½	1.24¼	Oct.	1.24½	1.26¾	1.24¼	1.26¼	1.67
1.34½	1.23½	Dec.	1.24	1.25½	1.24	1.24¼	1.62½
1.39⅝	1.24	May	1.25	1.26½	1.24	1.24¼	1.62½
		Rye					
.46⅛	.40⅛	Oct.	.42⅝	.43⅜	.42⅝	.42¾	.57⅛
.46¾	.40¾	Dec.	.44	.45	.43½	.43¾	.57½
.48⅝	.44¼	May	.....	.46⅝	.45⅛	.45¼	.59

*Minimum prices.

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C. N. R. Granted Right To Abandon Line

From Our Own Correspondent

MONTREAL.—Board of Transport Commissioners has granted application of the Canadian National Railways to abandon its line between Joliette and Montfort Junction, a distance of 31.6 miles.

Leave to abandon the tracks, near Lachute, Quebec, 40 miles west of Montreal, is conditional upon an agreement between the C.N.R. and C.P.R. for the running of C.N.R. trains, engines and cars over C.P.R. tracks between L'Epiphanie, Quebec, and Jacques Cartier Junction, Quebec, a short distance from the line to be abandoned.

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Week in Oils

Sheppard Creek Test Drills Into Limestone

First Foothills Well to Reach Important Madison Limestone Formation in Over Three Years — Oil and Gas Showings Encountered

From Our Own Correspondent

CALGARY. — The Sheppard Creek-Willow Creek area, 12 miles south of Turner Valley and only three miles south of the Duke of Windsor's famous E. P. Ranch, has moved into the limelight as Alberta's next potential oil and gas field.

Marking the first time in over three years that a foothills drill-test outside of Turner Valley has found its Madison limestone objective, the A. P. Con.-McDougall Segur joint Sheppard Creek test last week end drilled into the great source-rock and potentially productive formation. The lime was reached at 5,483 ft., and production string of casing was cemented in place early this week. Drilling will be resumed shortly and completion is expected in a few weeks.

* * *

Oil Showings Secured

The Sheppard Creek test is located in L.S.D. 6 7-16-2w5, 700 ft. east of the old Christie (Alberta Associated) well, drilled 20 years ago to a depth of 2,860 ft. The present venture was drilled on the strength of oil and gas showings reported at the Christie well, and in the belief that the Madison limestone would be encountered 2,000 to 3,000 ft. below the final depth at Christie.

The venture encountered favorable oil and gas showings in the Blairmore and Kootenay formations, comparable with those reported at Christie, and has now confirmed the belief that the limestone is present in the Sheppard Creek anticline. Only the bit can tell whether or not the Madison is productive, but the showings of oil above the lime provide reason for encouragement.

* * *

Companies Share Equally

The Sheppard Creek test is being drilled jointly by Alberta Pacific Consolidated Oils and the McDougall Segur Exploration Co.; each company subscribes half the drill-cost and any production will be shared on this basis. The well is located on part of a 1,720-acre block subleased by the two companies from Alberta Associated Oils.

An oil strike will prove vitally important to other companies as well. Calgary & Edmonton Corp. holds considerable property in the vicinity of the well, including Section 17, a mile to the northeast, and the north half of the section on which the well is located. This half section has been optioned to A. P. Consolidated, a gross royalty being retained. The Northwest Co. controls the Hudson Bay Co. Section 8, three-quarters of a mile east of the well. The British Dominion Oil & Development Corp. holds petroleum rights on more than 2,835 acres lying to the south and east of the Sheppard Creek well, while the Waite Valley Holding Co. has considerable acreage to the north and west of the well, including more than half a section offsetting the well to the west.

* * *

Oil Price Raised

Turner Valley crude oil posted field prices were raised a further three cents per barrel on Sept. 12—at last giving the oil producer the full benefit of the 8-cent per barrel reduction in pipe-line carrying and loading charges effected 14 months ago. The new price boost was announced a few days ago by Imperial Oil and the Alberta Mines Minister, N. A. Tanner.

The extra three cents per barrel adds some $800 daily to revenue of producers, increasing annual returns at the present production rate of 27,000 bbls. daily by nearly $300,000. The increase in annual revenue resulting from this boost and the five-cent boost effected July 18 last is estimated at $800,000.

It is likely that efforts will be made to make the 8-cent price boost retroactive or, in lieu of this, to obtain a further increase in posted prices.

The new prices start at $1.08 per bbl. for 33-33.9 degree gravity crude, increasing two cents per barrel for each degree increase in gravity. Pipe-line run crude, which averages a gravity of about 43 degrees, is now worth $1.28 per bbl.

* * *

Pacific Pete Produces

Central Turner Valley test Pacific Petroleums No. 5, which blew itself in with an initial flow of 1,300 bbls. daily, was given a light acid treatment of 4,000 gallons last week end. It returned to production with a flush flow of 125 bbls. hourly—a rate of well over 2,500 bbls. daily. It is now on government test and should receive initial allowable in the near future. Allowable is expected to be between 800 and 1,000 bbls. per day.

A. H. Mayland and associates have commenced work on a new important test in the far north end of Turner Valley. The well, Miracle Royalties No. 1, will be drilled in L.S.D. 3 4-21-3w5, offsetting Alberta Oil Incomes No. 2 to the east. The Incomes well, located three quarters of a mile north of present most northerly producing wells, topped the lime recently at 8,409 ft., well above the known water-oil line. The Miracle well is expected to log somewhat shallower than Incomes 2. It will be financed by an issue of preferred net royalties.

Mining Concentrates

Bayonne Consolidated reports August production of $39,000, the highest since milling operations were resumed last April. July production was $33,160.

* * *

Bernhardt Gold Mines is reported to have secured interesting values in sampling of its Kirkland Lake property. Plans are now in hand for exploration of the various showings by diamond drilling.

* * *

Douglas Lake Mines plans to complete a new programme of underground development, it is stated. The first two levels are to be dewatered after which drifting will be carried south at both levels to thoroughly explore the zone indicated by diamond drilling. At the same time further drilling will be carried out from each level. A total of 26 holes for 7,117 ft. of drilling was put down to explore the main ore zone along the strike north and south of the present workings with 25 holes showing interesting widths of vein material. Four deeper holes were also drilled under the mine.

* * *

Duquesne Mining Co. proposes to create $50,000 of 5% five-year convertible notes with a par value of $10 each with $10,000 to be issued at this time. The notes will be convertible into stock on the basis of 5 cents a share for the first year, 7½ cents a share the second year, 10 cents a share the third year, 12½ cents a share the fourth year and 15 cents a share the fifth year. Interest on the notes will be payable in cash or stock on the basis of 10 cents a share at the company's option. The company proposes to sell the issue on a 25% commission basis. Capital Trust Corp. has been appointed to handle the note issue and conversion provisions.

* * *

Guysborough Mines has declared a second interim dividend of 2½ cents a share payable Oct. 21, to shareholders of record Oct. 10, subject to approval of the Foreign Exchange Control Board. A similar payment was made on June 29.

* * *

International Mining Corp. has reacquired another 100 shares at a cost of $382 subsequent to June 30, making a total of 25,900 shares reacquired since April, 1940, at a cost of $134,662. Issued capital is 516,973 shares of which 491,073 are outstanding and 25,900 held in the treasury for retirement.

* * *

Lapa Cadillac Gold Mines has secured consent of the Toronto Stock Exchange for release of 103,125 shares held in pool by the Toronto General Trusts Corp. subject to release by the Ontario Securities Commission and the Exchange. Of this amount, 25,000 shares are property of Sudbury Contact Mines. The balance of 78,125 shares was allotted subject to payment and since they have not been taken up, will be returned to Lapa Cadillac Gold Mines.

* * *

Moneta Porcupine Mines has declared its regular quarterly dividend of 3 cents a share payable Oct. 15 to shareholders of record Sept. 30.

* * *

Mosher Gold Mines has called a special meeting of shareholders for Sept. 24 to secure approval for sale of two patented claims to MacLeod-Cockshutt Gold Mines for 30,000 shares of that company's stock. According to Murdoch C. Mosher, president, the two claims to be sold lie immediately west of MacLeod-Cockshutt's west boundary. The latter company's No. 2 shaft lies approximately 3,900 ft. east of its western boundary and No. 1 shaft about 2,600 ft. distant from the boundary. MacLeod's nearest workings are still 2,100 ft. from the boundary on the 500-ft. level of No. 1 shaft.

* * *

Pacific Eastern Gold has made provision for payment of taxes on some of its claims but is allowing the greater part of its holdings east of Pioneer, in the Bridge River, to lapse. About 25 claims are being kept in good standing. Balance sheet as at June 30, 1940, shows current assets of $5,004 including $3,082 cash against current liabilities of $382. A loan from Home Oil amounts to $13,952.

* * *

Stadacona Rouyn Mines continues to show a modest monthly operating profit in spite of expenses incurred in shaft sinking, it is stated. At the present time there is reported a fair cash balance in the bank which, with monthly profits, is expected to be sufficient for shaft sinking and plant improvements involving a total of about $50,000. Current milling rate is around 450-500 tons daily. This is expected to come back to 400 tons before long, it is stated. The latter rate is considered by the management as the normal pace for the mill consistent with present ore reserves.

* * *

Upper Seine Gold Mines placed its new mill in operation last week and it is now being tuned up for regular production, according to William L. Doyle, president. A considerable tonnage of ore is stated to be available on the dump as well as in underground workings. The mill has a rated capacity of 100 tons daily which could be doubled by adding further grinding equipment.

* * *

Wendigo Gold Mines will pay an initial dividend of 3 cents a share if shareholders approve a reduction in capital from 4 to 2 million shares at a special meeting called for Sept. 23. There are at present 3,498,890 shares outstanding and if the arrangement is approved, one new share will be issued for each two shares now outstanding.

Howey Continues Work On Amphi Ground

Diamond drilling is being continued by Howey Gold Mines on the optioned properties of Amphi Gold Properties, according to R. T. Birks, Howey president. Results so far have been inconclusive but sufficient encouragement has been received to justify continuation of work, the management feels.

Howey has been active in the prospecting field during the current year with about the same amount of money spent as a year ago. The company retains its substantial shareholding in East Malartic Mines, it is stated.

NEW McLAUGHLIN-BUICKS INTRODUCED

Increased engine power, numerous engineering improvements and distinctive restyling of body design along aerodynamic lines, are features of the 1941 models of McLaughlin-Buick cars, currently being distributed to showrooms across Canada. The new models are being produced in the General Motors of Canada plant at Oshawa in five series embracing a total of 22 body types. Highlight of engineering improvements is compound carburetion, utilizing dual carbureters to step up horsepower while assuring fuel economy. The modern treatment of body design emphasizes teardrop styling. Model shown above is the two-door six-passenger coupe-sedan in the Series 40 group of models.

Jason Drifts On High-grade Ore

Length of 322 Ft. on Fourth Level Runs $39 Over 16.6 Inches

Drifting on the new fourth level of No. 1 shaft at Jason Mines has been opening up what is considered to be rich ore, The Financial Post is informed. Length is 322 ft. averaging $39.55 over 16.6 inches or $16.61 over 40 inches with high assays cut.

Drifting has continued in ore since the estimate of 322 ft. of ore was made with recent faces running $34.30 across 34 inches, $70 over 28 inches and $7.70 over 33 inches.

Get Ore to North

Drifting south at the fourth level was suspended on Sept. 4 and drifting was then started to the north and is continuing in this direction.

From results obtained on third level, drifting is considered to be coming under the best ore section on the fourth level, with 150 ft. of high-grade ore to be expected if third level results are duplicated. The ore opened up in this section at the third level is more than double the width of ore already opened on the fourth level. Results so far obtained on the fourth level strongly suggest it will prove the best yet opened up.

Total ore so far disclosed on the third level is 553 ft., averaging $24.08 a ton across an average width of 31 inches. As the surface drilling gave ore over a length of 700 ft. without delimiting values, it is expected that further extensions will be opened up underground.

Ore Is Estimated

Ore in the No. 1 vein at No. 1 shaft is now estimated at 52,879 tons of ore blocked out with an average cut grade of $20.56 per ton. This gives a total gross value of $1,089,674. In the old workings at the No. 2 shaft, 6,700 tons of ore are estimated averaging $18.44 a ton. This gives a total positive reserve of 59,579 tons of $20.36 ore. Lower grade ore in No. 2 vein outlined by previous work is estimated at 19,209 tons of $14.04 a ton.

In addition to the above ore there is indicated by diamond drilling, in the extension of No. 1 vein and below the bottom of the old workings, 73,000 tons of ore of which it is impossible to estimate the grade accurately but is tentatively valued at $17.66 a ton.

Use No. 2 Shaft

A considerable proportion of the mill feed is now coming from the original No. 2 shaft which is situated 1,500 ft. away from the new No. 1 shaft. Drifting on the 500-ft. level of No. 2 shaft carried out by the previous operators revealed a considerable length of good grade ore. Ore lengths were reported as follows: 36 ft. averaging $19.67 over 2.68 ft.; 153 ft. averaging $18.24 over 3.66 ft.; 66 ft. averaging $7.38 over 2.74 ft.; 90 ft. running $16.15 over 4 ft.; 40 ft. of $25 ore over 5.54 ft.; and 215 ft. which ran $19.35 over 3.06 ft.

Ore Shows at Depth

Shaft sinking was carried to 600 ft. where lateral work showed 30 ft. of ore averaging $25.90 over 2.95 ft. in limited work. Two drill holes have been put down to the 800-ft. horizon showing $28 across 30 inches and $7 over 20 inches.

Ore is now being stoped above the 221 sublevel, above the second level of No. 2 shaft where a length of 120 ft. of ore has been opened averaging $57 across 19 inches. Two diamond drill holes indicate that this ore may extend on for 100 ft. more at least.

Profit $40,072

Bullion production in August was $67,801 from 3,769 tons of ore. Operating profit for the month was $40,072 before taxes, head office overhead, depreciation and pre-production expenses. The mill is now treating close to 125 tons of ore daily.

Working capital position of the company has shown steady improvement with net current assets of $97,000 at the end of August. Creditors' claims have been reduced to $143,000 from the original face value of $185,000 for the mortgage. No payments are due on the mortgage until working capital reaches $150,000.

Henning Maloney Gets New Work Programme

New exploration is to be undertaken on the property of Henning Maloney Gold Mines situated 4½ miles southwest of Flin Flon, according to reports from Winnipeg.

A crew of men is already at work under the direction of J. W. Callinan. It is hoped to defray much of the expense of the new work by shipments of ore to Hudson Bay Mining & Smelting at Flin Flon. Funds for the programme are being provided by Toronto financial interests.

Smelter Employees Reject Wage Plan

Proposal to Tie Wage Rate to Cost of Living Voted Down

Employees of Consolidated Mining and Smelting Co. have rejected an offer of the management to increase the wage scale three cents for each point rise in the federal cost of living index over the index at March, 1938. The scheme would have been retroactive from June 1.

The proposal was voted on by employees at Trail, Warfield, the Sullivan mine and the Sullivan concentrator at Kimberley.

The number of employees at Trail and Warfield voting against the scheme amounted to 2,397 while 586 voted in favor of the plan. There were 25 spoiled ballots. At the Sullivan mine and mill 455 men voted in favor of the proposal and 387 men against.

The proposal offered was similar to that accepted by the coal miners of western Canada and some other industrial groups.

Seek Further Ways To Get More Gold

Deputy Minister of Mines Investigates Situation at Various Mines

Possibilities of a further increase in the output of Canada's gold mines are now being canvassed by Dr. Charles Camsell, Deputy Minister of Mines for the Dominion Government.

Already many mines are stated to be enlarging their mills as a result of the call for all the gold that can be economically produced. The object of the present trip is to ascertain that no possibilities are being overlooked.

According to an official of the Dominion Department of Mines, "everything consistent with good mining practice" is now being done to increase output and the department is chiefly engaged in giving advice as to methods that may be used for a further increase in output.

Efforts to increase current production of gold are evidenced by gold production for June, it is stated. Output for the month totalled 451,277 oz. compared with 436,538 for the same month last year. Value of output for the first six months was $99,023,617 as against $87,551,061 in the first half of 1939.

FURTHER GILLIES WORK

During August, Hollinger Consolidated Gold Mines carried its west drift into the Gillies Lake property a further 20 ft. on mineralized quartz. No improvement in values is reported. A diamond drill station has been cut at the west face and drilling is now in progress to the northwest. No values have so far been obtained.

Abitibi Asbestos Mines has been incorporated, according to the current issue of the Quebec Gazette. Authorized capital of the company is $20,000 and head office is Thetford Mines.

C. & E. Corp. Profit Rises

Earnings Last Year 10.2 Cents a Share as Against 9.6 Cents Year Before

Due chiefly to an increase in revenue from production, earnings of Calgary & Edmonton Corp. were slightly higher in the year ended June 30, 1940, at 10.2 cents a share compared with 9.6 cents a share in the previous fiscal year.

Production of wells on the company's lands in the last fiscal year totalled 2,413,558 bbls., an increase of more than 500,000 bbls. over the preceding year. Value of the output was 13% greater.

During last year $210,000 was expended on drilling of wells in association with Royalite Oil Co. Nine wells have been drilled under the Royalite agreement and a further well is drilling at the present time. Total expenditures in this work were $530,000 up to the end of the fiscal year.

Wells drilling on company land at the end of last month were: Pacific Petroleums No. 5, Twin Valley No. 1, Arrow No. 2, Royalite No. 52 and Royalite No. 54.

Options and leases were granted on a total of 2.977 acres of land during the year ended June 30, 1940.

Income and Surplus Account
Years Ended June 30

	1940 $	1939 $
Prod. revenue	371,475	328,260
Less: Man. exp. and sals.	19,382	19,180
Directors' fees	4,500	4,500
Legal expenses	495	966
Bearberry loss	......	12,500
Mineral taxes	11,298	8,926
Other expenses	10,309	12,192
Oper. revenue	325,491	269,996
Add: Other income	14,601	19,110
Total revenue	340,092	289,106
Less: Income tax	93,208	56,585
Net profit	246,884	232,521
Less: Dividends	241,510	......
Surplus for year	5,374	232,521
Add: Prev. surplus	605,243	381,273
Less: Adjustments	......	8,551
Surplus forward	610,616	605,243
Earns. per Sh. and Divd. Record:		
Earned	$0.102	$0.096
Paid	0.10	nil
Working Capital		
Current assets	508,038	498,871
Current liabilities	102,809	62,871
Working capital	405,229	436,000

More Oil Showings In Ram River Well

Drilling of the No. 2 well of Ram River Oils has reached a depth of 694 ft. with core from the bottom stated to be thoroughly saturated with oil. Continuous oil showings have now been encountered from a depth of 527 ft. except for the occasional 6 or 7 ft. in places.

Drilling of No. 2 well started between 400 to 500 ft. in the Devonian formation. There are believed to be three favorable horizons for finding crude production, the lowest being at 3,000 ft. No.1 Ram River well encountered a fault. The new well is being drilled on what is known as the west fold. The Altoba well drilled on the south end of the same structure is reported to have secured gas and oil showings.

Research Enterprises

Continued from Page 81

impossible to get skilled workers from that quarter.

President of Research Enterprises is Lt.-Col. Eric Phillips, head of Duplate Safety Glass Co. Ltd. Directors are A. L. Ainsworth, vice-president, John Inglis Co. Ltd., O. M. Biggar, Ottawa barrister and member of the Joint Defense Board set up by the Canada-U. S. pact; Gustave Rainville, Montreal, president Quebec Gold Mining Corp. and executive of other mining enterprises; W. E. Ross, manager of the apparatus department, Canadian General Electric Co., and Professor E. F. Burton, University of Toronto, distinguished physicist.

Some of it Secret

Importance of the project is indicated by the fact that a good many of the guns which are, or shortly will, be manufactured in Canada are completely useless without proper range-finders, sights and other highly scientific equipment. Vitally important, too, is production of a wide variety of other pieces of equipment, much of it of a secret nature.

In recent months the National Research Council has been devoting virtually all of its energies to meeting military, naval and air force needs.

The National Research Council will, it is understood, produce the prototype product which will then be turned over with complete plans to Research Enterprises.

Hence, there is a precise distinction in function between these co-operating groups: one does a planning, research and development job; the other is engaged solely in a production job.

Not All Newly Designed

Research Enterprises will be shortly making some of the most complex pieces of equipment in army use, such as the Predictor, the machine which is hooked up with an entire battery of anti-aircraft guns and which automatically does extraordinary mathematical computations necessary for aiming the guns.

Not all products of the company will be of new design by the National Research Council. Some, it is understood, will be replicas of products now in use in Britain. Because of emergency government powers permitting government in a time of crisis to ignore patent rights of private interests, there will be virtually nothing in the general field which is required by the armed services which Research Enterprises may not undertake.

As in the case of the other "government companies," Allied War Supplies, Citadel Merchandising, Federal Aircraft, Small Arms, etc., Research Enterprises is a non-profit organization, whose every act is subject to the approval of the Minister of Munitions and Supply, Hon. C. D. Howe. Head office is Toronto.

Work on Finds in Yellowknife

Field Parties Now Exploring Numerous New Discoveries in Camp

Although located in the far Northwest Territories, the Yellowknife area has been the scene of considerable prospecting activity since the advent of war.

As a result of work carried out, finds have been reported recently at Snare River, Slemon Lake, Hidden Lake and Desperation Lake. A diamond drill outfit has already been shipped from Yellowknife to Slemon Lake by boat to drill the Lundmark property. This discovery was made in 1939 and additional exploration has revealed further finds which have added to the value of the property.

Parties At Work

Field parties are now carrying on work at Desperation Lake, Beaulieu River and on the Upper Yellowknife River. Closer in to the producers, underground development is continuing at the Ptarmigan property with finances being provided by Consolidated Smelters. Operations are to be stepped up at the Thompson-Lundmark property, also financed by Consolidated Smelters, and a mill of 100 tons capacity is now being shipped to Yellowknife for transportation by tractor to the property next winter.

Gold Output Up

Gold production in the Yellowknife district reached a value of $905,800 in the first half of 1940 compared with $712,740 the same period last year. Output comes from three mines, the Con and Rycon, controlled by Consolidated Smelters, and from Negus Mines.

At the Con property the mill is treating approximately 165 tons of ore daily. The main shaft is now down to the 950-ft. level. Ore from the Rycon property is treated at the Con mill, the two mines being joined by a haulageway at the 500-ft. horizon. Underground development is stated to be uncovering new ore of satisfactory grade at both properties.

At the Negus mine, 60 tons of ore is being treated daily. The No. 2 shaft is down 356 ft. and preparations are being made to sink to 550 ft. Ninety men are being employed.

Siscoe Now Expects To Meet Dividends

Higher Taxation, However, Prevents Earnings Meeting Dividends

Barring a rise in costs of materials, Siscoe Gold Mines expects to maintain its present dividend rate of 3 cents a share quarterly, shareholders are informed by J. B. Lynch, president, in a statement accompanying cheques for the current dividend distribution.

Although earnings in the first half of 1940 at $255,209 were $26,000 short of dividend requirements due to increased taxation, intensive efforts are being made to reduce mine operating costs and head office expenses, according to the president.

No. 28 Zone Developed

No. 28 ore zone on the fourth level has now been completely developed, it is stated, with the major vein showing a length of 366 ft. averaging $18.16 a ton across an average width of 41 inches with gold at $35 an ounce. Two parallel veins have also been developed to the south.

One of these has been opened up for a length of 78 ft. averaging $20.54 a ton across an average width of 39.5 inches. Although the other vein is strong, it has only carried commercial values for 50 ft. A raise is now being put up from the fourth level in good ore. Crosscutting towards the No. 28 zone from the shaft on the third level is expected to reach its objective in two months.

In the No. 26 section, some additional ore bodies of the blanket vein type of mine grade have been developed east of the albitite dyke on the first level. This was located by diamond drilling from surface.

Oliver & Co., B. A. Oil Financing Okalta Oils

From Our Own Correspondent

VANCOUVER.—C. M. Oliver & Co., Vancouver investment house, is undertaking the financial sponsorship of Okalta Oils in an aggressive new drilling campaign on the latter's extensive Turner Valley acreage.

Oliver & Co. is advancing $120,000 for the programme, and the balance will be provided by British American Oil Co., according to A. E. Chilcott, president of Oliver & Co.

A new Okalta well will be started immediately south of Okalta No. 9, now drilling in the Madison lime and reported to be in a particularly porous zone.

PRESTON SETS RECORD

Production of $209,522 from Preston East Dome Mines in August constituted a new record for this year and compares with $199,310 in January the next highest month. The mill treated a total of 16,009 tons in August compared with 16,318 tons in July. Last May the company decided to increase its output 10% to aid the Dominion's war effort.

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Custom Milling Becomes Increasingly Popular

With funds for erection of mills more difficult to secure than before the outbreak of war, custom milling has become a convenient expedient for treatment of ore where no mill has yet been placed on the property.

The most recent company to make arrangements for custom milling was Senator-Rouyn which has arranged for the lease of the Arntfield until erection of its own mill is completed. Treatment of higher than mine average grade ore at the Arntfield mill is expected to provide a large part of the funds for the mill.

Smelters Treats More

Out on the west coast the increased amount of custom business available is reflected in the figures for treatment of customs ore by Consolidated Mining and Smelting Co. Receipts at Smelters Tadanac plant in August totalled 5,580 tons—a new record for the current year. A total of 55 properties contributed to the August total.

Since the outbreak of war, the larger base metal mining companies have been doing much more custom work than previously. Noranda Mines, for instance, has taken over treatment of concentrates from Aldermac Copper Corp. and Normetal Mining Corp. so concentrates would not have to be shipped abroad for treatment. Custom requirements and copper output from the new Waite Amulet mill have caused an expansion in the refining facilities of Canadian Copper Refiners, Noranda subsidiary.

International Nickel, of course, has taken over treatment of matte from Falconbridge Nickel Mines. This would be a tremendous task for any other company than International Nickel with its huge facilities.

Among the gold mining companies, Broulan Porcupine Mines is continuing to ship ore to the leased mill of Mace Gold Mines until its own mill turns over.

In the Kirkland Lake area, rumor has it that shipments of ore may be made from the Anoki mine to the Morris Kirkland mill. Some time ago Upper Canada Mines had a lease on the Morris Kirkland mill.

Shaft Decision Near At Bonetal Claims

Zone 600 ft. in Length Containing Visible Gold Outlined By Drilling

With recent diamond drilling indicating a 600-ft. length of irregular quartz stringers containing visible gold, a decision on shaft sinking is approaching at Bonetal Mines, The Financial Post is informed.

Last week a third drill was placed in operation at the property to secure additional information in the next month, so definite consideration can be given to shaft sinking.

Drill To West

Drilling has been continued to the west, extending the zone recently, with hole No. 22, 100 ft. west and 100 ft. south of hole No. 21 the previous west end hole, returning .22 oz. over 1.5 ft. and .07 over 8.5 ft. Hole 24, approximately 100 ft. west of hole No. 22, returned .27 oz. over one foot, .327 oz. over 9.5 ft. and .277 oz. over 5.3 ft. Hole No. 26 close to the contact and about 600 ft. west of hole No. 24 intersected 10 ft. of quartz stringers for which assays are not yet available.

Other Drill Holes

Hole No. 25, drilled to intersect the zone above hole No. 21 which returned .68 oz. over 9.8 ft. and .3 oz. over 6.5 ft., yielded .14 oz. over 3 ft. and .199 oz. over 9.5 ft.

Two drill holes put down—first at 100-ft. intervals east of where hole No. 21 is located, gave 1.04 oz. over 7 ft. and .14 oz. over 3.2 ft. in hole No. 18 and .13 oz. over 3.1 ft. and .14 oz. over 5 ft in hole No. 20.

St. Anthony Has Claims In Savant Lake Area

Prospectors in the employ of St. Anthony Gold Mines have staked a group of nine claims for the company in the new Savant Lake area, Patricia district, Ont., The Financial Post is informed. The claims lie to the southeast of the discovery group held by Northern Canada Mines and are believed to be on the general line of strike of the contact zone where values have so far been located. A party is now in the field lining up further claims, it is stated.

Milling operations at the St. Anthony mine have been stepped up to 175 tons daily from the average milling rate of around 150 tons daily in the first half of the year Two new ore discoveries were reported in August but details on these are not yet available.

OPTION AGREEMENT CANCELLED

British Dominion Oil & Development Corp. reports that an option held by James H. Goodwin on 25,000 shares has been cancelled. The option was not taken up by July 26, the due date. No further options are outstanding on any shares of the company.

Empire Mercury Gets New Property Test

The property of Empire Mercury Mines, Bridge River area, B.C., has recently been reopened and operations are being carried on with a crew of 15 men. When previous work was done on the property, the price of mercury was much lower at $60 a flask.

Previous work included the equipping of the property with a crushing and small roasting plant capable of treating 10 tons daily. Values in the cinnabar (mercury) deposit were found to be somewhat erratic.

Mine workings comprise four main adits, several shorter ones and several long ground-sluiced trenches. The latter have largely sloughed and rock exposures have been covered by sand and gravel.

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Week in Mining

Dominion Gold Output Hits New High Level

Volume and Value of Production Both Set New Records in First Half of 1940 — Recent Gold Discoveries Encourage Prospectors

Dominion gold production figures for the first six months of 1940 indicate that Canada is well on the way to establishing new records for both volume and value of gold production for the current year.

Production the first six months of 1940 totalled 2,572,042 oz. compared with 2,489,969 oz. the first half of last year. As gold mines stepped up production to increase the country's foreign exchange resources comparatively recently, it is possible that an even larger margin of increase in gold output will be shown the last half of the year.

Value of production in the first half of 1940 was much higher than the corresponding figure for 1939, of course. Gold has been selling at $38.50 an ounce since last September, so that value of production would be 10% higher for the half year even without any increase in the volume of output. Value of output is the important thing in providing the country with foreign exchange, of course.

Australia's Gold

Production of gold is not only being stepped up in Canada as an aid to the war effort, but in other countries of the British Empire too. From Australia comes word that gold mines in Victoria are to operate seven days a week, starting immediately. This is expected to increase the State's gold output from 15 to 20%. If Western Australia steps up its gold milling operations to seven days a week also, a much greater increase in output will be possible, it is stated. Western Australia is the chief Australian gold producing state at present.

Canadian gold mines customarily operate seven days a week, using three eight-hour shifts per day. In Quebec and Ontario, mining isn't carried out on Sunday, but the mill operates on ore from bins. Milling operations can be continued with only a few keymen on the job. If mining operations were continued on Sunday, a few of the mines might find it feasible to increase mill capacity due to a building up of ore reserves. However, there seems no tendency as yet to make Quebec and Ontario miners work on Sunday.

• • •

More Prospecting

Prospectors are once more on the move in increasing numbers with interest stimulated by two miniature "gold rushes," both in Ontario. The Missinabie area, near Sudbury, has been the scene of much staking activity and the discovery property held by Macassa Mines is now being diamond drilled.

Assays from surface showings were impressive. One of the unusual features of the discovery was the finding of gold in granite, a formation which the prospector usually avoids as possessing no possibilities for finding gold. Now prospectors in the area are breaking longstanding tradition by prospecting granite formation.

The second gold discovery to attract attention recently is that at Savant Lake. The initial find in the area was made by Northern Canada Mines a few weeks ago. Results have been so impressive that a large block of ground is "staked solid" with many of the larger companies investigating possibilities in the area. The new field is quite acessible for the prospector and development of showings in the area should be comparatively simple.

• • •

Geological Bet

A determined attempt now seems under way to prove ore possibilities in the interesting section of ground lying between the Cadillac and Malartic area. The famous "greenstone band" of the Malartic area twists north into the Cadillac area and from a geological standpoint, chances of finding ore bodies are well worth investigation.

Two companies, Howey Gold and Siscoe Gold Mines, now have diamond drills at work in the area. Howey is carrying on drilling at one of the Amphi properties, but nothing is so far available on results obtained. Siscoe Gold Mines has just started its drilling on the Pan-Canadian property following the spotting of a series of holes by Dr. W. F. James. West Malartic Mines, adjoining the Pan-Canadian property, is reported to have opened up a considerable tonnage of ore; installation of a 300-ton milling unit may be considered in the near future.

• • •

Steep Rock Resumes

Exploration of the iron ore deposits underlying the waters of Steep Rock Lake is once more getting under way after a delay caused by a heavy water flow that equipment could not readily handle. New equipment being installed is now expected to take care of water troubles.

While underground work was delayed, diamond drilling was resumed to secure more information about the iron deposits from surface. A drill hole put down from Mosher point to test the downward extension of the "B" ore body is stated to have passed through considerably more than 100 ft. of iron ore. This is encouraging to the management as it has been found difficult in the past to get drills to enter the iron ore mass.

Another Dividend On Kerr-Addison

Directors of Kerr-Addison Gold Mines have declared a dividend of 5 cents a share payable Oct. 15, to shareholders of record Sept. 28. An initial dividend of similar amount was paid on Aug. 1, 2½ months previous to the present payment.

Expansion of the mill from 1,200 to 1,800 tons daily is expected to be completed on schedule the first of the year. All the necessary building space for expansion was provided at the time of the last increase and only unavoidable delays in delivery of equipment can slow up the work of expansion, it is believed.

Say Surf Inlet Chances Good

From Our Own Correspondent

VANCOUVER. — Surf Inlet Gold Mines has in reserve about 25,000 recoverable ounces of gold, according to Charles Mentzel of New York, the company's consulting engineer.

At current return on gold this would have a gross value of close to $1 million.

Mentzel's review was placed before Surf Inlet shareholders at their annual meeting in Vancouver. Mentzel said it would be a peculiar thing if future development did not disclose similar ore horizons to those in the Pugsley and Surf mines.

To Speed Up Driving

Present plans call for intensification of the drive for ore northward from the Surf and to the south in the Pugsley, both on the 900 and 700 ft. levels.

Expectations that J. B. Woodsworth, formerly managing director, would make an attempt to recover control of the company did not materialize at the meeting. He had previously circularized shareholders crticizing present "absentee control" of the mine.

Robert L. Reed of New York and his slate of directors were returned by the shareholders—1,467,345 shares to 200,000.

Pan-Canadian Deal Finds Approval

Shareholders of Pan-Canadian Gold Mines approved granting of an option on the company's No. 2 property to Siscoe Gold Mines, at a special meeting held in Montreal last week.

Siscoe Gold Mines has already completed its first drill hole in an extensive programme of work now getting under way on the property which comprises 17 claims in the Cadillac area, Quebec.

Hollinger Consolidated Pays Extra Dividend

An extra dividend of 5 cents a share has been declared by Hollinger Consolidated Gold Mines, payable along with the regular four-weekly dividend of 5 cents a share payable Oct. 7 to shareholders of record Sept. 23. This brings total distributions for the current year to $3,936,000.

When to Expect Mining Profits

Here is How Long It Takes to Open Up a Property

How long does it take to develop a gold mining property to the production point? That question is significant now for two reasons:

1. The size of the contribution gold mining can make to the war partly depends upon the speed with which new mines can be brought into production.

2. The average investor's success in gold mining investments depends, to a great extent, upon his grasp of the "time element" in mine development.

Gold production in war is being heavily stressed.

Only limit to the amount of U. S. dollars we can get for gold is the present and potential capacity of our mines to produce.

Enquiries received by the investment departments of newspapers and financial houses indicate that people still buy shares in a gold prospect in the belief that the company will be paying dividends in a matter of a few months. Others are a little hazy about the time interval between diamond drilling, shaft sinking, mill construction and production.

Great progress has been made in the last 10 or 15 years in the speed with which mines can be developed. It can be attributed partly to air transportation, partly to better drilling practice, better knowledge of geology, more flexible methods of financing.

A little over 12 years ago prospectors relied entirely upon the canoe and dog team in new areas. Then came the airplane. Big Junkers or "Flying Boxcars" ferried ball mills and jaw crushers into the back of beyond.

Geological mapping was done by field reconnaissance on foot. With the airplane, wide stretches of territory could be photographed in enough detail to indicate the more favorable areas for prospecting. This technique has cut down the time it takes to find a mine.

Diamond Drill Big Factor

The diamond drill as an exploratory and development tool has vastly improved in the last 15 years. This, as much as any other factor, has been responsible for the increase speed of mine development.

Drilling used to be a very slow, laborious process. Black carbons were used in the bits. With "borts" used in the bits and general all round improvement in diamond drilling machines much faster drilling time can be made. Drilling is now a cutting process.

In the Porcupine or Kirkland Lake districts drill crews today can make 35 to 40 ft. per day of three 8-hour shifts on surface holes.

More information on the geology of certain districts, built up by experienced operators, has also helped. It is a well-known axiom that there are excellent chances for the ultimate development of further payable mines in each important mining camp.

It is hard to draw the line here between properties that have been developed from the raw prospect stage to production and those that saw previous development. In fact, a statistical study shows that 57% of Canada's gold mines have grown out of old properties upon which operations had been suspended at one time.

In discussing the time element in mine development here, however, this article will stick to examples where the property has been brought to production under the one management, or under the same sponsorship.

Bond Issue is New

Assisting in the more speedy development of gold mines there has been one other important factor: diversified types of mine financing. Ten or fifteen years ago a bond issue on a gold property was practically unheard of. Banks frowned upon requests for loans. Today, bond issues are becoming popular as a means of financing mill construction. Banks will loan money to companies with proved ore reserves.

One Quebec company, Senator-Rouyn, has arranged three different ways of getting funds for mill construction. First, is an issue of 6% notes. Further funds are procurable from proceeds of ore to be treated at a neighboring mill. If this does not provide enough money, a bank credit is available with bonds to be used as collateral.

This diversified kind of financing means that mining companies are not utterly dependent upon the whims of the public for funds. If the market sags, it does not necessarily mean a crimp in the company's plans. Nor suspension of development.

Today a gold mining property can be brought from the surface development stage to production in two years.

Here is how a prominent mining engineer roughly divided that time interval: six months on preliminary surface development; four months on shaft sinking; ten months on underground work; four months on mill construction.

Of course, in actual practice, mine development cannot be laid out into such arbitrary periods. More time may have to be spent on diamond drilling. The company may not have the hoisting capacity to keep up to schedule on shaft sinking. Underground work may take one or two years—even longer.

Moneta Holds Record

In speed of development from diamond drilling to the start of production, Moneta appears to hold the record at 18 months. MacLeod-Cockshutt took two years. East Malartic was developed more slowly over a period of approximately 45 months.

Of course, other well-known producers have taken longer. Mere speed of development is no indication in itself of the merit of property or the competence of its management. The original drilling programme on the Kerr Addison property was run off around the end of War 1. Kerr Addison came into production in May, 1938. There's a lapse of about 20 years.

It should be borne in mind, however, that records were lost on all but nine holes out of the 28 put down on the present Kerr Addison claims. And development was by no means continuous over that 20-year interval.

Which mine holds the recent record for time taken from the beginning of shaft sinking to the start of production?

It appears that Malartic Goldfields can claim that honor. This company began shaft sinking in Dec., 1938, and had its mill turning over by Dec., 1939. Moneta Porcupine took about the same time. At this property shaft sinking began in Jan., 1937; the mill was in production by Jan., 1938.

Insistent demand for speedy development frequently springs from the shareholders of a company. They have been sold on reaping a profit and receiving dividends in the near future. To keep them satisfied with their "investment," the financial sponsors must make a vigorous effort to make that promise come true.

Sometimes this situation itself is responsible for delays in bringing a property to the production point.

"Making" News

Several years ago a company was incorporated to develop a group of claims in northern Ontario. They only had a raw prospect. It seemed, however, to hold out some promise for developing a commercial ore body.

Only after a year of preliminary development had been done did the management decide that another property had better be obtained. The first group of claims, they thought, would take too long to develop, too much cash. The shareholders would sell out and public distribution of the shares would be undermined by a street market.

Another property was obtained. Through inexperience, or haste to develop a mine, diamond drill holes were put down in a more or less haphazard fashion. The public had to see results.

One or two holes cut interesting structure and values. Then a real attempt was made to lay out a drilling programme with regularly spaced holes, with holes plotted to cut the formation along its longitudinal extent and vertically at different horizons. It is probable, from what geologists of this company say now, that time could have been saved by a better planned diamond drilling programme in the first place.

Such mistakes rarely occur, of course, when the big mining companies take on a prospect for development. They are not pressed to make news for a financial sponsor. They believe in the old saying "the more hurry the less speed."

The progress that can be made in the various stages of mining development depends too on local conditions, on the type of structure, the hardness of the rock, mechanical equipment, and transportation facilities.

A well-known mining engineer says that 125 ft. a month, including station cutting and timbering, is good time for sinking a three-compartment shaft. As high as 250 ft. a month, however, is not out of the way, he says, where you can get the muck away fast enough and put on large enough crews.

Erecting a 500-ton mill can be done in four months. It depends on where the job has to be done, on how readily materials can be brought in, on the nature of the climate.

The actual technique of doing all these jobs has not changed much. What makes for speed in mine development today is adequate transportation facilities, plenty of capital. And, of course, competent, experienced management.

Whether gold properties still at the surface stage of development can be brought into production soon enough to make a real contribution to winning the war will depend on such things as the continued availability of new mining machinery; a steady supply of skilled labor, and the ease with which money can be secured for preliminary work.

For one thing, no one knows how long the war is going to last. Should it last until the middle of 1942 there is evidence to believe that a half dozen mills will rise on the horizon of Canadian gold fields, ready to make their vital contribution to the Dominion's supply of financial resources.

Falconbridge Defers Dividend Action

Directors of Falconbridge Nickel Mines have decided to omit the dividend that would ordinarily be paid by the company at the end of September. Previously the June dividend had been omitted following disruption of the company's operations in Norway.

While mining and refining operations are continuing on a reduced scale, delays have been experienced in making sales and collections overseas have deferred realization into the last quarter of the year. A strong cash position is being maintained, however.

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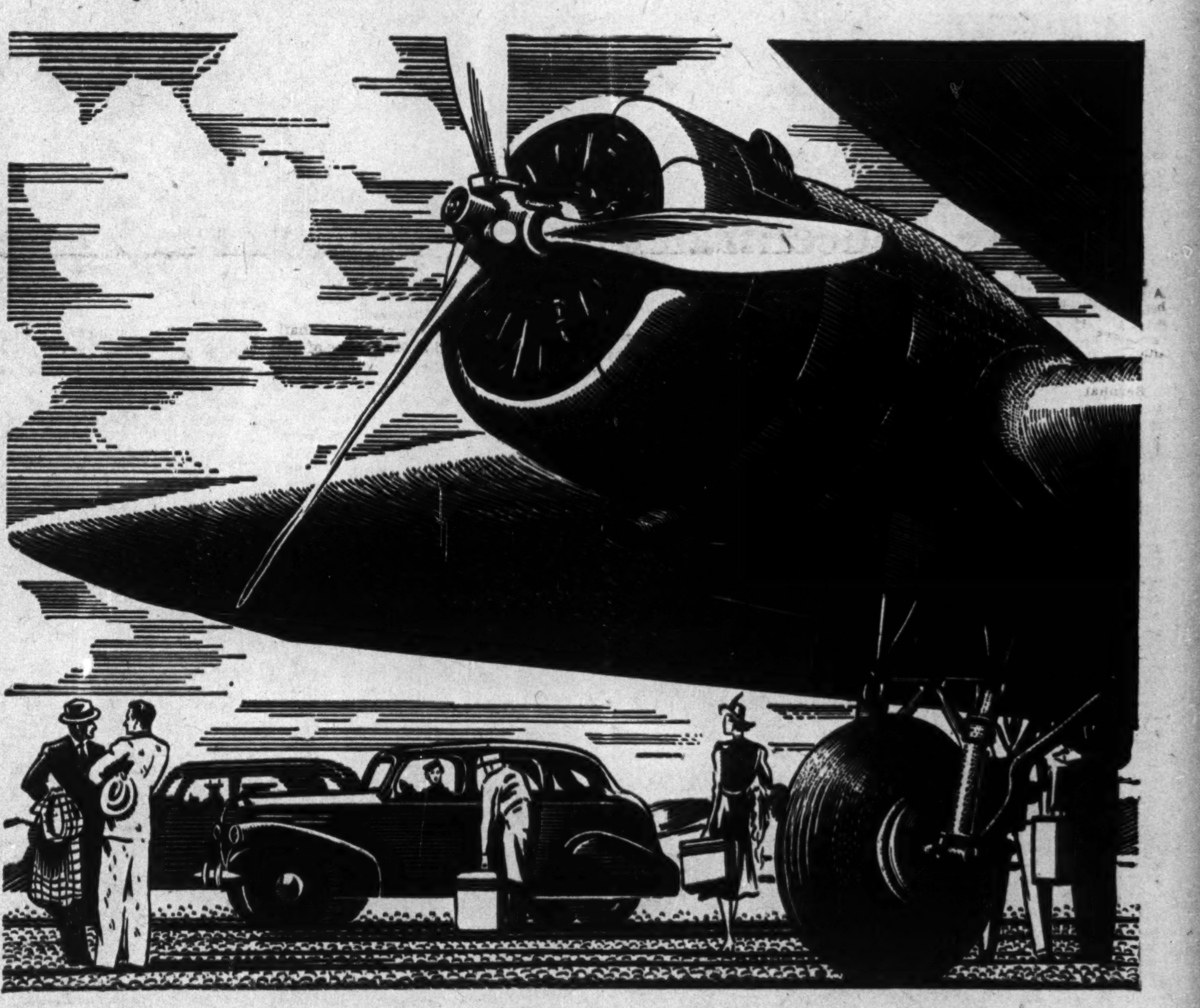

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